



**Notice is given that an Ordinary Meeting of Council will be held on:**

**Date: Tuesday, 12 December 2017**  
**Time: 3pm**  
**Location: Council Chambers, Serpentine**

# **AGENDA**

**Ordinary Council Meeting**

**12 December 2017**

**Order Of Business**

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**1 OPENING PRAYER**

“Almighty God, we humbly beseech thee to bless this Council, direct and prosper its deliberations towards the true welfare of your people of the Shire of Loddon.”

**ACKNOWLEDGEMENT OF COUNTRY**

“The Loddon Shire Council acknowledges the Traditional Custodians of the land on which we are gathered and pays its respects to their Elders both past and present.”

**2 APOLOGIES**

**3 DECLARATIONS OF CONFLICT OF INTEREST**

**4 PREVIOUS MINUTES****4.1 CONFIRMATION OF MINUTES**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council confirm:

1. The minutes of the Council Briefing of 28 November 2017
2. The minutes of the Ordinary Council Meeting of 28 November 2017
3. The minutes of the Council Forum of 5 December 2017

**REPORT**

Seeking approval of the unconfirmed minutes of the previous meetings.

**5 REVIEW OF ACTION SHEET**

**5.1 REVIEW OF ACTIONS**

**File Number:** 02/01/002  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. Action Sheet

**RECOMMENDATION**

That Council receive and note the action sheet.

**REPORT**

Refer attachment.

Outstanding Actions	<b>Division:</b>	<b>Date From:</b> 1/01/2016
<b>Action Sheets Report</b>	<b>Committee:</b>	<b>Date To:</b> 31/12/2018
	<b>Officer:</b>	<b>Printed: Wednesday, 6 December 2017 2:41:48 PM</b>

**Outstanding actions from previous meetings**

ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
9	28/5/12	9.2	Operations	Manager Technical Services

**ACTION**

That Council:

1. Develop a process for the identification and prioritisation of minor community infrastructure projects which will allow for a structured approach in providing in-principle or financial support for external funding applications.

**COMMENTS**

**12/11/14:** Action item has been amended following completion of the BRIC gymnasium development project utilising "Putting Local's First" funding. Elements of this action have been simplified to exclude those relating to the BRIC project and focusing now on the remaining action element being the development of operational guidelines for receiving, prioritising and applying for external funding in respect to minor community infrastructure projects.

**11/6/2015:** Manager Infrastructure has commenced development of a draft project identification template and scoping document along with associated prioritisation criteria and explanatory notes.

**11/09/2015:** Progress on development of assessment and prioritisation criteria for minor community Infrastructure projects has been delayed due to competing operational priorities. Delivery of this action item shall be raised with the Manager of Infrastructure as a matter of urgency.

**11/02/2016:** Matter has been raised with the responsible officer however no further progress has been made on development of the required process and guideline.

**12/05/2016:** Development of minor community infrastructure project assessment and prioritisation guidelines has been incorporated into the 2016/17 performance objectives of the new Manager Technical Services.

**10/6/2016:** No progress to date - will be considered with review of building assets

**11/08/2016:** Review of methodology for identification and prioritisation of community infrastructure projects has commenced. Consideration is currently being given to frameworks which have been adopted by other LGA's (i.e. City of Greater Bendigo Capital Investment Assessment Framework).

**20/02/2017:** Progress on developing community infrastructure project prioritisation guideline has been delayed due to competing priorities and resource constraints. Project is being handed over to the recently appointed Project/Contract Officer for further progression.

**19/04/2017:** The Manager Technical Services and Project/Contract Officer are working together to progress the establishment of an Assessment Framework based upon the 2017/18 projects.

**13/07/2017:** No further action has been taken due to staff resource constraints.

**02/08/2017:** No further action. Benchmarking with other neighbouring Councils will be undertaken subject to successful recruitment of Assets and Buildings Coordinator.

**11/09/2017:** New Assets and Building Co-ordinator has commenced and will prioritise as matter of urgency.

**17/10/2017:** Process for evaluation and prioritising of minor community projects is being developed and a draft is planned to be reported early in 2018.

<p>Outstanding Actions</p> <p><b>Action Sheets Report</b></p>	<p><b>Division:</b></p> <p><b>Committee:</b></p> <p><b>Officer:</b></p>	<p><b>Date From:</b> 1/01/2016</p> <p><b>Date To:</b> 31/12/2018</p> <p><b>Printed: Wednesday, 6 December 2017 2:41:48 PM</b></p>
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**14/11/2017:** Work has commenced and is continuing in developing this process.

**06/12/2017:** Manager Technical Services is developing project identification and prioritisation process.

ACTION NUMBER	COUNCIL MEETING	REF	DIRECTORATE	OFFICER
66	25/2/14	7.4	Operations	Manager Technical Services

**ACTION**

That Council look at the future needs of buildings under Council control but 'not currently covered by the Building Asset Management Plan and report to Council.

**COMMENTS**

**8/4/14:** All buildings identified within the shire are currently covered in the BAMP. Council have requested that the BAMP be reviewed in relation to the buildings that receive no financial support. A review of the BAMP is scheduled to be undertaken later this calendar year. At this time a review of all provisions will be undertaken with a subsequent report provided for Council consideration.

**11/11/14:** Review of the BAMP has been rescheduled to later this financial year due to commitments of staff in preparing the Road Asset Management and Stormwater Asset management Plans as a matter of priority. Preliminary discussions and consideration on service levels for various building categories has commenced however e.g. public toilets.

**11/6/15:** Review of the BAMP has been rescheduled following completion of the annual asset valuation data. It is expected that commencement of the BAMP review will occur following the completion of the Stormwater Asset Management Plan in September 2015.

**11/09/15:** Manager Policy & Strategy is finalising both the Urban Drainage Asset Management and Road Asset Management Plans. Following completion of these strategies focus shall be placed upon the revision of the Building Asset management Plan. Due to delays in progress with the development of the UDAMP and RAMP, work on the BAMP is now scheduled to commence in November 2015.

**11/02/16:** Draft RAMP and UDAMP have been prepared. Final review of draft documents is occurring in preparation for discussion with Council in March. Enquiries are being made with appropriately qualified consultants to gather necessary building asset data in preparation of commencement on the BAMP review later this year.

**10/6/2016:** Consultants are currently being interviewed regarding building asset system and data capture. Consultant should be engaged July/August with data capture due by end of 2016.

**5/7/2016:** Consultants from Assetic has been engaged to perform condition assessment of all the Council owned/managed buildings. Additionally, Assetic system has been purchased as a new corporate asset management system for building assets with future inclusion of roads and drainage assets.

**11/08/2016:** Register of buildings for inspection has been finalised and consultants will be commencing on site inspections and data capture by the end of August. It is expected that the data capture process could take up to 60 days after which time processing and analysis will commence to inform investment scenario modelling within the revised BAMP

**31/08/2016:** Building audits have now commenced. A total of 178 Council buildings have been identified for audit. In addition to data capture on structure details, inspections will also identify immediate works required where building element conditions are below service level intervention standards. These works will then form the basis of future building capital works programs and inform preparation of the future investment demand for the LTFP and BAMP.

**4/10/16:** Building audits are approximately 80% complete. It is anticipated that full audit details and population of the Asset Management System which has been procured,

<p>Outstanding Actions</p> <p><b>Action Sheets Report</b></p>	<p><b>Division:</b></p> <p><b>Committee:</b></p> <p><b>Officer:</b></p>	<p><b>Date From:</b> 1/01/2016</p> <p><b>Date To:</b> 31/12/2018</p> <p><b>Printed: Wednesday, 6 December 2017 2:41:48 PM</b></p>
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will be complete by the end of October 2016. Data modelling within the Asset Management package will then be used to inform development of the new draft Asset Management Plan.

**10/11/16:** Audit of Council buildings has been completed. Condition profiles for building stock are now being compiled to inform preparation of draft BAMP. It is anticipated that presentation of initial audit results to Council will occur in either December or January.

**20/2/17:** Post audit processing of building data has been slightly delayed due to resource constraints. Officers are in the process of finalising to produce renewal gap modelling prior to presentation of audit findings to Council. Outputs from audit process are also being utilised in the preparation of a building component of the 2017-2017 Annual Infrastructure Program.

**20/03/2017:** Preliminary modelling of long term investment requirements across the portfolio of Council buildings has now been completed. Summary report for Council is being prepared to convey initial findings however detailed analysis and adjustment is still required to take into consideration the current policies contained within the BAMP as well as preparation of various scenarios if service levels are changed. Scenario models will be presented to Council as part of developing the revised BAMP.

**19/04/2017:** First Draft of BAMP is expected in the first quarter of 2017/18.

**13/07/2017:** Due to delay in successful recruitment to the vacant position of Assets and Buildings Coordinator, it is very likely that the first draft of BAMP will be delayed.

**02/08/2017:** No further action.

**11/09/2017:** New Assets and Building Co-ordinator has commenced and will prioritise as matter of urgency.

**17/10/2017:** A draft of the Building Asset Management Plan is planned to be presented to Council December meeting.

**14/11/2017:** With the successful recruitment of Assets and Buildings Coordinator, revision of Council's Building Asset Management Plan is underway as per the recommendation of review undertaken in 2016/17. Financial information on Council owned buildings has been finalised and officers are currently working on the level of service for building assets. Once finalised, the data will be uploaded into the Asset Management system to identify Council's annual liability and renewal need and as such the draft BAMP will then be presented to Loddon Leaders and MEG for endorsement before presenting to Council for public comments.

**06/12/2017:** Draft preparation in progress.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 26 September 2017	Indivar Dhakal	Disposal of Water Supply Pipelines from Skinner's Flat Reservoir, Wedderburn Caravan Park Reservoir and Inglewood Reservoir	10/10/2017	9/10/2017	
8.7 2017/35		Steven Phillips				
<b>RESOLUTION 2017/35</b>						
Moved: Cr Cheryl McKinnon						
Seconded: Cr Colleen Condliffe						
That Council:						



Outstanding Actions	<b>Division:</b>	<b>Date From:</b> 1/01/2016
	<b>Committee:</b>	<b>Date To:</b> 31/12/2018
<b>Action Sheets Report</b>	<b>Officer:</b>	<b>Printed: Wednesday, 6 December 2017 2:41:48 PM</b>

1. In view of the pending construction of the South West Loddon Pipeline, approve the disconnection and abandonment of the entire existing water supply pipeline network from Skinner’s Flat Reservoir and Wedderburn Caravan Park Reservoir and notification of all affected pipeline users.
2. Endorse Council’s involvement in stakeholder engagement meeting(s) between affected customers of the existing pipeline and GWM Water.
3. Consent to the handover to Grampians Wimmera Mallee (GWM) Water, at no cost, of the ownership and management of the existing water supply pipeline from Inglewood Reservoir and that all affected users be notified.

**CARRIED**

*06 Dec 2017 - 9:49 AM - Christine Coombes*

There have been ongoing discussions with GWM regarding community engagement with affected stakeholders and Council is awaiting confirmation of the engagement arrangements.

*08 Nov 2017 - 8:58 AM - Indivar Dhakal*

Discussions with GWM Water has been started regarding the handover of Inglewood pipeline.

*17 Oct 2017 - 12:11 PM - Christine Coombes*

Letter sent to all users of Skinners Flat pipeline advising of Council decision and reason behind decision. Also advised that representatives of GWMWater and Council will visit affected residences in the coming weeks.

Letter being prepared to send to GWMWater regarding Council abandonment of Skinners Flat pipeline and agreement to obtaining "recreational" water for Skinners Flat, Wedderburn Caravan Park reservoir and Inglewood Reservoir.

Also advise that Council is prepared to handover the ownership and management of the existing Inglewood pipeline to GWMWater including the new extension works.

A letter to the Wedderburn Sports Clubs and the Inglewood sports Clubs affected is being prepared. A copy of Council decision will be provided to all Clubs.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
New Item	Ordinary Council Meeting 24 October 2017	Steven Phillips		7/11/2017	6/11/2017	
11.1		Phil Pinyon				
2017/77						

**11.1 MEMSIE STATE SCHOOL**

**RESOLUTION 2017/77**

Moved: Cr Gavan Holt

Seconded: Cr Geoff Curnow

Council resolved that the matter of the plaque for the Memsie State School should be expedited as quickly as possible.

**CARRIED**

*05 Dec 2017 - 5:21 PM - Steven Phillips*

The Plaque is on order ETA early in the New Year. Once the plaque arrives we should have access to the paddock for its installation.

*10 Nov 2017 - 10:00 AM - Steven Phillips*

The land holders on which the old Memsie school site is located (Shannon & Steve Brown) have agreed for the plaque to be located on their property, at the old school site, just inside their property fence. The plaque

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has been ordered. The access to the site is limited due to the paddock being under crop, the installation of the plaque will take place after the crop has been harvested.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report 8.3 2017/88	Ordinary Council Meeting 28 November 2017	Alexandra Jefferies Steven Phillips	Planning application 5308 - NBN Tower (Wedderburn)	12/12/2017	4/12/2017	
<b>RESOLUTION 2017/88</b>						
Moved: Cr Neil Beattie						
Seconded: Cr Geoff Curnow						
That Council approve application 5308 for the use and development of the land as a telecommunications facility (NBN co tower) subject to conditions.						
						<b>CARRIED</b>
<i>04 Dec 2017 - 8:57 AM - Alexandra Jefferies</i>						
NOD issued 1/12/2017 will be posted Monday 4/12/2017 and any appeals will be checked via VCAT website						

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report 10.2 2017/104	Ordinary Council Meeting 28 November 2017	Jolie Middleton Wendy Gladman	Disability Access and Inclusion Plan 2017-2021	12/12/2017	4/12/2017	
<b>RESOLUTION 2017/104</b>						
Moved: Cr Colleen Condliffe						
Seconded: Cr Neil Beattie						
That Council endorses the draft Disability Access and Inclusion Plan 2017-2021 for public exhibition for a 28 day period.						
						<b>CARRIED</b>
<i>04 Dec 2017 - 10:54 AM - Christine Coombes</i>						
The Disability Access and Inclusion Plan will be prepared for public display shortly.						

Outstanding Actions	<b>Division:</b>	<b>Date From:</b> 1/01/2016
<b>Action Sheets Report</b>	<b>Committee:</b>	<b>Date To:</b> 31/12/2018
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**Actions completed since last meeting**

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report 8.2 2017/87	Ordinary Council Meeting 28 November 2017	Robyn Vella Phil Pinyon	Loddon Shire Council Tourism Marketing Plan	12/12/2017	4/12/2017	6/12/2017
<b>RESOLUTION 2017/87</b>						
Moved: Cr Neil Beattie						
Seconded: Cr Gavan Holt						
That Council						
1. Note the additional changes to the Tourism Marketing Plan						
2. Adopt the Tourism Marketing Plan 2017 – 2020						
3. Approve an additional \$3000 to the 2017 - 2018 tourism allocated budget, to be sourced from surplus.						
						<b>CARRIED</b>
<i>06 Dec 2017 - 2:21 PM - Christine Coombes</i>						
Action completed by: Christine Coombes						
Complete						
<i>06 Dec 2017 - 2:20 PM - Christine Coombes</i>						
Finance department has been advised for budget to be updated. Marketing Plan has been finalised and submitted on Loddon Shire Council's website.						
Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report 8.5 2017/90	Ordinary Council Meeting 28 November 2017	Deanne Caserta Sharon Morrison	Finance Report for the period ending 31 October 2017	12/12/2017	4/12/2017	4/12/2017
<b>RESOLUTION 2017/90</b>						
Moved: Cr Geoff Curnow						
Seconded: Cr Gavan Holt						
That Council:						
1. receives and notes the 'Finance report for the period ending 31 October 2017'						

Outstanding Actions	<b>Division:</b>	<b>Date From:</b> 1/01/2016
	<b>Committee:</b>	<b>Date To:</b> 31/12/2018
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- 2. approves budget revisions included in the report for internal reporting purposes only
- 3. approves the supplementary valuations of rateable and non-rateable properties in respect of the 2017/18 financial year, as returned by the Shire Valuer, LG Valuations Pty Ltd, and endorses them being incorporated into the Register of Rateable and Non Rateable Properties and Rate Book for 2017/18.

**CARRIED**

04 Dec 2017 - 9:14 AM - Deanne Caserta

Action completed by: Deanne Caserta

No actions required from report, already completed

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 November 2017	Deanne Caserta	Complaint Handling Framework and Complaints Against Councillors Policy	12/12/2017	4/12/2017	4/12/2017
8.6		Sharon Morrison				
2017/91						

**RESOLUTION 2017/91**

Moved: Cr Gavan Holt

Seconded: Cr Neil Beattie

That Council adopts the Complaint Handling Framework v1 and Complaints Against Councillors Policy v1.

**CARRIED**

04 Dec 2017 - 9:15 AM - Deanne Caserta

Action completed by: Deanne Caserta

Document finalised for publishing to website.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 November 2017	Deanne Caserta	Related Party Disclosures Policy	12/12/2017	4/12/2017	4/12/2017
8.7		Sharon Morrison				
2017/92						

**RESOLUTION 2017/92**

Moved: Cr Geoff Curnow

Outstanding Actions	<b>Division:</b>	<b>Date From:</b> 1/01/2016
<b>Action Sheets Report</b>	<b>Committee:</b>	<b>Date To:</b> 31/12/2018
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Seconded: Cr Colleen Condliffe

That Council adopts the Related Party Disclosures Policy v1.

**CARRIED**

*04 Dec 2017 - 9:15 AM - Deanne Caserta*

Action completed by: Deanne Caserta

Document finalised for publishing to website.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 November 2017	Indivar Dhakal	Contract 402 - Panel of Contractors for Flood Restoration Projects	12/12/2017	4/12/2017	4/12/2017
8.8		Steven Phillips				
2017/93						

**RESOLUTION 2017/93**

Moved: Cr Geoff Curnow

Seconded: Cr Neil Beattie

That Council:

1. approve the recommended panel of contractors (Attachment 1) for the purpose of flood restoration projects
2. authorise the Chief Executive Officer to sign and affix the common seal of Loddon Shire Council on individual contract documents.

**CARRIED**

*04 Dec 2017 - 9:01 AM - Indivar Dhakal*

Action completed by: Indivar Dhakal

Contractors have been notified and Council has sent two copies of contract documents for signing.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 November 2017	Wendy Gladman	PRESENTATION OF WELCOME TO AND ACKNOWLEDGEMENT OF COUNTRY POLICY FOR ADOPTION	12/12/2017	4/12/2017	4/12/2017
8.9		Phil Pinyon				

**MOTION**

Moved: Cr Colleen Condliffe

Outstanding Actions	<b>Division:</b>	<b>Date From:</b> 1/01/2016
<b>Action Sheets Report</b>	<b>Committee:</b>	<b>Date To:</b> 31/12/2018
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Seconded: Nil

That Council adopt the Welcome to and Acknowledgement of Country Policy.

**MOTION LAPSED**

*04 Dec 2017 - 10:31 AM - Wendy Gladman*  
Action completed by: Wendy Gladman  
Amended policy has been provided to executive to finalise.

*04 Dec 2017 - 10:30 AM - Wendy Gladman*  
The Welcome to and Acknowledgement of Country Policy has been amended as per the motion and provided to the executive team to finalise

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 November 2017	Sharon Morrison	Child Safe Standards Statement of Commitment	12/12/2017	4/12/2017	4/12/2017
8.10		Sharon Morrison				
2017/97						

**RESOLUTION 2017/97**

Moved: Cr Neil Beattie  
Seconded: Cr Geoff Curnow

That Council adopt the Loddon Shire Council Child Safe Standards Statement of Commitment.

**CARRIED**

*04 Dec 2017 - 9:42 AM - Sharon Morrison*  
Action completed by: Sharon Morrison  
A web page is being prepared to communicate Council's commitment. Further documentation will be finalised based upon the commitments in the statement.

Type	Meeting	Officer/Director	Subject	Est. Compl.	Emailed	Completed
Report	Ordinary Council Meeting 28 November 2017	Wendy Gladman	2017/18 COMMUNITY PLANNING STRATEGIC FUND ALLOCATION	12/12/2017	4/12/2017	4/12/2017
8.11		Phil Pinyon				
2017/98						

**RESOLUTION 2017/98**

Moved: Cr Gavan Holt  
Seconded: Cr Neil Beattie

<a href="#">Outstanding Actions</a>	<b>Division:</b>	<b>Date From:</b> 1/01/2016
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That Council allocates \$500,000 from the 2017/18 Community Plan Strategic Fund to the Donaldson Park Redevelopment project.

**CARRIED**

*04 Dec 2017 - 10:34 AM - Wendy Gladman*

Action completed by: Wendy Gladman

As noted

*04 Dec 2017 - 10:33 AM - Wendy Gladman*

Finance department has been advised of Council motion to allocate the 17/18 Community Plan Strategic Fund to the Donaldson Park redevelopment and the necessary budget revisions are in hand.

**6 MAYORAL REPORT**

**6.1 MAYORAL REPORT**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Mayoral Report

**REPORT**

The Mayor will present a report at the meeting.



**7 COUNCILLORS' REPORT****7.1 COUNCILLORS' REPORTS**

**File Number:** 02/01/001

**Author:** Lynne Habner, Manager Executive and Commercial Services

**Authoriser:** Phil Pinyon, Chief Executive Officer

**Attachments:** Nil

**RECOMMENDATION**

That Council receive and note the Councillors' reports

**REPORT**

Each Councillor will present a report at the meeting.

**8 DECISION REPORTS****8.1 APPLICATION FOR INTEREST FREE LOAN - BOORT TROTTING CLUB**

**File Number:** 13/09/001  
**Author:** Lynne Habner, Manager Executive and Commercial Services  
**Authoriser:** Phil Pinyon, Chief Executive Officer  
**Attachments:** 1. Letter from Boort Trotting Club

**RECOMMENDATION**

That Council approves an interest free loan of \$20,000 to Boort Trotting Club to be repaid over a five year term to assist with funding to relocate four light poles at the Boort trotting track.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Nil.

**BACKGROUND**

Council has an interest free loan reserve that is available for community groups to assist them in purchasing or updating equipment or facilities.

The reserve operates by Council providing up front funds to the committee for its expenditure, and recouping the loan over a period of up to five years.

The reserve has a pool of \$100,000 and currently there is only \$5,800 outstanding from community groups. This amount will be fully repaid to Council by 1 August 2020.

**ISSUES/DISCUSSION**

The Committee of the Boort Trotting Club has written to Council requesting an interest free loan of \$20,000 to relocate four light poles standing between the football and hockey grounds and the back straight of the trotting track to the outside of the back straight.

This is the agreed long term solution to the problems caused by shadows being cast over the track, resulting in horses jumping or breaking stride and occupational health and safety risks.

The letter of application is included as an attachment to this report.

**COST/BENEFITS**

There is no direct cost associated with this report.

The benefit is providing support to the Committee and the economic benefits to the community of continuing a successful harness racing fixture.

**RISK ANALYSIS**

There is a financial risk associated with non-repayment of the loan should the committee become non-financial or non-operational in the future. Based on the expectation that harness racing will continue into the future, this risk is considered low.

**CONSULTATION AND ENGAGEMENT**

Nil.

**Boort Trotting Club.** Chairman John Campbell, [loddonvallystud@hotmail.com](mailto:loddonvallystud@hotmail.com)  
Secretary Nicole Myles [nicolemyles@hotmail.com](mailto:nicolemyles@hotmail.com)

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tention- Lynne Habner.

ddon Shire. CEO- Phil Pinyon.

ear Sir.

The Committee of the Boort Trotting Club applies to Loddon Shire Council for an interest free loan \$20,000 to be paid back over 5 years.

The funding is required as part payment for a project at Boort Park this financial year relevant to the Boort Trotting Club.

The Boort Trotting Club has unanimously resolved to relocate four light poles standing between the football & Hockey Club grounds and the back straight of the Trotting track to outside the back straight. The eight poles around the combined football & hockey grounds were funded & erected by Boort football club.

The shadows from these poles, has caused horses racing at the afternoon meetings in January and March to jump or break stride at the last four race meetings. This is a serious OH&S issue because horses following the front two horses who break may fall and tip drivers into the path of other horses. This also causes other industry negatives if horses jump a shadow in their warm up and have to be scratched that affects the race, the owners and betting turnover.

Several initiatives have been tried without success including using spotlights and spreading a darker gravel over the entire track.

The Boort Trotting Committee and our controlling body Harness Racing Victoria agree that the only long term solution is to relocate the four poles so that there are no shadows on the track and the lights are fully approved for Football and Hockey night competitions.

Quotes have been received from the six trades people required for the project. Crane Operator, Engineer, Electrician, Excavator, Concreter, Builder. Total cost \$104,000.

The funding plan is-	Vic Gov VRIF \$52,000	Harness Vic \$13,000
	Loddon Shire \$20,000	Boort Trotting Club \$19,000
	Total-\$104,000.	

concrete & Two new 30 Metre poles, extra cabling and lights are included in costings.

The timing of the pole relocation is important, the four poles are to be laid down before the Trotting Clubs Summer Holiday meeting on Monday 15<sup>th</sup> January 2018 and ready for use again by first weeks in April 2018. Boort Trotting Clubs Cups Meeting is Sunday March 18<sup>th</sup> 2018.

Letters of support have been provided to HRV & VRIF from Cr Neil Beattie and Ian Mercer Boort Park.

R.V has strongly supported the proposal in writing to VRIF which is a Vic Gov. requirement.

Yours sincerely, John Campbell



**9 INFORMATION REPORTS****9.1 NOVEMBER 2017 AUDIT COMMITTEE MEETING OVERVIEW**

<b>File Number:</b>	<b>06/02/003</b>
<b>Author:</b>	<b>Sharon Morrison, Director Corporate Services</b>
<b>Authoriser:</b>	<b>Phil Pinyon, Chief Executive Officer</b>
<b>Attachments:</b>	<b>1. Review of Occupational Health and Safety</b>
	<b>2. Review of Data Analytics (Accounts Payable, Accounts Receivable and Payroll)</b>
	<b>3. Final Management Letter for year ended 30 June 2017</b>
	<b>4. 2018 Audit Committee Timetable</b>
	<b>5. Risk Management Report</b>

**RECOMMENDATION**

That Council:

1. receives and notes the November 2017 Audit Committee Meeting Report
2. endorses the performance improvement recommendations documented in the Review of OHS Responsibilities; and
3. receives and notes the Review of Data Analytics and congratulates staff on the result
4. endorses the performance improvement recommendations documented in the Final Management Letter for the year ended 30 June 2017
5. receives and notes the 2018 Audit Committee Timetable
6. receives and notes the Risk Management Report

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council was provided with a summary of the August 2017 Audit Committee Meeting at the Ordinary Meeting held on 22 August 2017.

**BACKGROUND**

The Audit Committee was created under Section 139 of the Local Government Act 1989, which states that "Council must establish an audit committee".

The committee is made up of four independent community members, and Cr Gavan Holt, as Council's representative. Council's Chief Executive Officer and Director Corporate Services attend the meetings in an advisory capacity.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for:

- the enhancement of the credibility and objectivity of internal and external financial reporting
- effective management of financial and other risks and the protection of Council assets
- compliance with laws and regulations as well as use of best practice guidelines

- the effectiveness of the internal audit function
- the provision of an effective means of communication between the external auditor, internal audit, management and the Council
- facilitating the organisation's ethical development
- maintaining a reliable system of internal controls.

In order to provide a structured approach and ensure that the Committee addresses each of its responsibilities, an annual calendar of actions and an internal audit review program are established each year, and these guide the activities of the Committee.

## **ISSUES/DISCUSSION**

The agenda for the November 2017 meeting included the following:

### Audit report – Occupational Health and Safety

Mark Holloway provided an overview of the audit report, which found that there are good controls in place such as the existence of a committee, and OH&S roles and responsibilities within position descriptions. However around 30 recommendations for improvement were provided, including the need for a strategy and formalised policies and procedures, and the need for a chemical and dangerous goods register.

Committee members noted that these responsibilities are under the Organisational Development Department, and noted resource constraints within this area to adequately address the actions in the report. The timeframes for actions were discussed, and it was suggested that the development of a dangerous goods register should be brought forward, as well as recording that the induction of new staff has been completed. In the attached report, both of these findings have now been given a higher risk rating, and the timeframe for development of the register has been brought forward.

### Audit report – Data Analytics

Mark Holloway reported the audit report found that Council has robust controls and processes in place regarding the completeness, accuracy and validity of financial systems transactions data, and information contained in the relevant master files over accounts payable, accounts receivables and payroll.

The committee noted the positive results of the report.

### Audit report – Final Management Letter for the year ended 30 June 2017

Sharon Morrison referred to the recommendation that Council should review the ability to deliver projects in the capital budget, and management's response to address this matter, including assessing the resources required to deliver the capital works program.

The committee noted that resources are being recruited to assist in delivering specific capital projects to help Council address the recommendation.

### Draft Calendar for 2018

Sharon Morrison presented the timetable for 2018.

The Chair asked if the meeting date could be moved forward to the second week of the month, and there were no objections to making that change. Calendar invitations will be circulated to members once finalised.

In relation to the review of the Audit Committee Charter, it was suggested that it be moved to the February meeting from May.

The committee agreed that the Risk Management Report will be dealt with at every second meeting.

All of these suggestions have been incorporated into the attached calendar.

### Fraud Report

Phil Pinyon advised there is nothing to report.

Review of major lawsuits facing Council

Phil Pinyon advised there are no major lawsuits to report.

Report on cost of transactions

Sharon Morrison advised that it would cost up to \$8000 to procure an electronic purchasing system to address the shortfalls in segregation of duties. It is expected that a new system will be in place in the second half of the current financial year.

Report on reasonableness test

Sharon Morrison presented a report addressing a recommendation that a reasonableness test be established for items susceptible to fraud. Work is progressing to enable Council to carry out this testing, including the introduction of an electronic purchasing system.

Presentation by staff member

Wendy Gladman gave a presentation about the structure and work of the Community Wellbeing Directorate, which incorporates aged and disability services, early years, emergency management, Healthy Minds Network, recreation, youth, community grants and community planning, municipal public health and wellbeing planning, and access and inclusion services.

Report on update on review of Local Government Act

Sharon Morrison reported on the current status of the review, and noted some of the specific provisions that are likely to be included, such as improved integrated long term planning, and strengthened audit and risk committees.

Sharon undertook to email committee members the draft for consideration during the public consultation period which is expected to close in February 2018. Committee members will provide feedback on the draft to the Chair for a coordinated response.

In relation to valuations, it has been decided that the Valuer General will conduct valuations on an annual basis for councils, with some compensation being made to councils for the likely additional administrative costs incurred.

Copy of Report to Council on Review of Section 86 Committees

Sharon Morrison referred to the report provided to the September Council meeting, and reported progress with reviewing instruments of delegation and establishing management agreements where Section 86 committees are not necessary.

Report on update on Local Government Investigations and Compliance Inspectorate review of Central Goldfields Shire Council

Sharon Morrison provided a summary of actions that staff have identified for implementation to strengthen Council's approach to issues identified in the report.

Monthly Finance Report

The Committee received the report for the period ending 31 October 2017, and noted that work has commenced on developing the 10 year Long Term Financial Plan.

Risk management report – Charter 2.5(vii)

Sharon Morrison presented the Risk Management Report, including occupational health and safety incident reports and WorkSafe matters. In relation to the development of a workforce plan, Sharon advised that Council staff are participating in a joint LGPro project that is developing a template for councils to apply in future. Committee members noted that staff turnover and resourcing are impacting on delivery of some actions.

The Committee noted the risk management report.

Items raised by Council that may impact the Audit Committee

There was nothing to report in the absence of Cr Holt.

Next review

The next internal audit will review 'whole of life costing'.

**COST/BENEFITS**

There are costs associated with the Audit Committee and internal audit function.

However, in most cases, actions resulting from audit reviews do not bear any new costs as they are undertaken by current staff.

The benefits that the internal audit function provides Council are:

- business improvement relating to the audit review areas
- standard policy and procedure documents which are developed through the action list
- improvement in knowledge management that will assist with succession planning over time
- a reduction in risk in areas relating to audit reviews.

**RISK ANALYSIS**

The internal audit program has been created and is annually updated on a risk basis, ensuring that Council's program addresses the areas of highest risk or greatest concern to Audit Committee members and Council officers.

**CONSULTATION AND ENGAGEMENT**

Nil



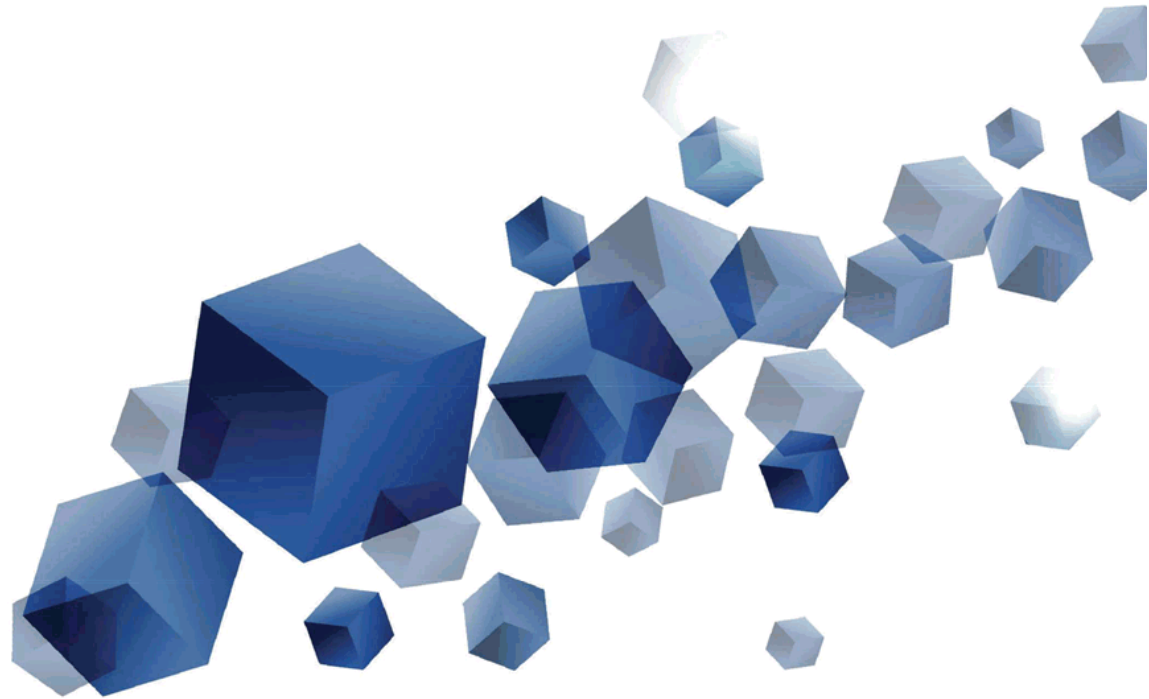


## Loddon Shire Council

### Internal Audit

Review of Occupational Health and Safety

October 2017



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# EXECUTIVE SUMMARY

## Introduction

As part of the internal audit services provided to Loddon Shire Council (the "Council"), HLB Mann Judd has undertaken a review of its Occupational Health and Safety ("OH&S"). The objective of the internal audit was to document and evaluate internal controls and processes relating to OH&S, and to identify potential risks and opportunities to improve related practices.

The review has been agreed by the Council's Audit Committee and Executive Management and forms part of the 2017-2018 Internal Audit Program.

## Background

In Victoria, OH&S is governed by a system of laws, regulations and compliance codes which set out the responsibilities of employers and workers to ensure that safety is maintained at work. The *Occupational Health and Safety Act 2004* (the "Act") is the cornerstone of legislative and administrative measures to improve OH&S in Victoria.

The Act specifies that an employer must provide a safe and healthy workplace for workers and contractors including adequate facilities, information, training and supervision according to OH&S legislation. The employer must also ensure that other people (such as customers, visitors and the general public) are not endangered by the conduct of business. Additional obligations are specified under the Act and codes published by WorkSafe especially where dangerous goods, plant, equipment and manual handling are involved. Similarly, all workers have a duty of care to ensure that they work in a manner that is not harmful to their own health and safety and the health and safety of others.

The mismanagement of OH&S can have a number of legislative, legal, compliance, reputational, workforce planning and institutional implications for the Council.

## Positive aspects of control

The following positive business practices were noted regarding OH&S processes at the Council:

- The roles and responsibilities for OH&S within the Council are assigned adequately in staff position descriptions. The Council has dedicated personnel (i.e. Manager Organisational Development) who oversees the OH&S function to provide oversight and advice to Council on all facets of safety and wellbeing. The Manager Organisational Development reports directly to the Director Corporate Services, OH&S Committee and Risk Management Committee accordingly;
- OH&S roles and responsibilities are incorporated within position descriptions for key staff (e.g. Manager Organisational Development, Manager Operations, Project Management Coordinator, Director Corporate Services);
- An OH&S Committee exists and meets on a quarterly basis to monitor, track and address OH&S related matters. The Committee is governed by a Terms of Reference and comprises of a Chairman, other Committee members, and Health and Safety Representatives ("HSRs"). The HSRs represent designated work groups within the Council in accordance with Section 43 of the Act;
- The Council identifies emerging OH&S regulatory and compliance requirements through various sources (e.g. publications, newsletters and emails from Workplace Safety Australia Pty Ltd). Updates are communicated through quarterly OH&S Committee meetings and are prioritised and actioned as necessary. Also, the Council monitors its legislation and OH&S regulatory requirements in the Advent Manager System;

- OH&S related matters are regularly communicated to staff members via HSR for each workgroup and noticeboards. List of wardens and HSR, OH&S posters and OH&S Committee meeting minutes are also displayed on noticeboards at Council's different sites;
- The Council has various risk identification and assessment processes to identify and address OH&S related matters and assist in ensuring compliance with Section 22 of the Act. These include:
  - Hazards/near misses/incidents which are reported and recorded through the Advent Manager System and investigated. Subsequent controls are put in place and any new risks identified are recorded on the risk register if appropriate;
  - Regular reviews and updates of the organisation's risk register which identifies OH&S related risks, at both strategic and local/operational levels;
  - Workplace inspections performed at Council's sites are reported, and outcomes are communicated appropriately; and
  - Departmental meetings are used for identifying site and activity specific hazards associated within departments.
- The Council's risk register includes various OH&S risks at both strategic and operational levels. The risk register is periodically reviewed by the Risk Management Committee and Audit Committee;
- Contractors who perform work at Council's premises are inducted over OH&S and are required to complete and sign-off against a questionnaire form which is retained within the Supplier Database. The contractor's certificates, insurances or licenses are monitored and tracked through the Supplier Database where request for renewal is automatically sent out to suppliers with expired documents. Our sample based testing of contractor OH&S induction noted that they were adequately inducted as per Council's policy; and
- Reports focussing on OH&S matters are prepared and provided to key stakeholders (e.g. Executive Management, OH&S Committee, Risk Management Committee and Audit Committee) to allow the Council to

properly monitor OH&S matters, complaints, incidents, follow-up items and other key areas. This includes trend analysis of OH&S and WorkCover's related data which is also conducted on a quarterly basis.

### Summary of Key Findings

The primary objective was to assess and evaluate the effectiveness and efficiency of internal controls embedded in the OH&S processes to determine whether the following audit objectives were addressed:

The risk rating of each of the above findings is contained in the following matrix:

Audit Objectives	Related Finding	Risk Rating*			
		Extreme	High	Medium	Low
The adequacy of Council’s policies and procedures governing OH&S.	Certain policies and procedures to guide staff over OH&S processes were outdated, still in draft and were not formally documented. Further, we noted instances where OH&S related policies and procedures were not centrally located on Council’s intranet.			Finding 1	
	Absence of an OH&S plan/strategy that links to the Council Plan and OH&S Policy.			Finding 2	
	A formal OH&S schedule/calendar did not exist to assist in overseeing OH&S inspections, testing and other monitoring programs.				Finding 3
Council’s compliance with relevant OH&S legislation, including the Act, relevant elements of its subordinate legislation and other external mandates.	A chemicals and dangerous goods register does not exist within the Council to comply with the requirement under the OH&S Regulation 4.1.23.		Finding 4		
	Absence of an annual OHSMS audit to determine the effectiveness of the system as required by the Standard.			Finding 5	
The appropriateness of Council’s risk assessment in identifying and addressing OH&S matters.	No issues noted.				
The adequacy of OH&S manuals, programs and procedures for training, fire evacuation and first aid.	An OH&S training matrix is currently under development to assist in monitoring and tracking training needs and competencies of staff.				Finding 6
	Fire drills were not conducted on a regular basis at Council’s different sites as per Council’s policy.			Finding 7	
	Instances where we could not confirm whether new employees had been inducted on OH&S when they commenced.			Finding 8	
The appropriateness of relevant KPI’s to measure performance and level of compliance.	KPIs were not formally documented to measure performance and assist in ensuring that OH&S objectives and targets are being met.				Finding 9
The reporting process that allows Council to properly monitor all OH&S incidents and their outcomes.	An OH&S actions register was not maintained to keep records of all OH&S related matters for monitoring and tracking purposes.			Finding 10	

**Risk Matrix:**

		Consequence				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
Likelihood	5 Frequent / almost certain	Yellow	Orange	Orange	Red	Red
	4 Probable / likely	Green	Yellow	Orange	Orange	Red
	3 Occasional / possible	Green	Yellow (1, 2)	Yellow (5, 7, 10)	Orange (4)	Orange
	2 Unlikely	Green	Yellow (9)	Yellow (8)	Yellow	Orange
	1 Rare	Green	Green (6, 3)	Green	Green	Yellow

*The specific criteria and definition of the risk ratings applied to individual findings are defined in **Appendix C**.*

drills, induction and follow-up actions for outstanding OH&S matters to be undertaken in a timely manner. The Council should also assess the need to develop appropriate KPIs to assist in ensuring that OH&S objectives and target are being met.

**Overall Conclusion**

Based on the results of the review, we believe there is further room for improvement with respect to the OH&S framework at Council, and to ensure that robust systems and processes are in place.

The areas for further improvement should be focussed on the need to review, update and centrally locate Council’s key policies and procedures, the need to develop and adopt an OH&S plan/strategy which defines the means by which the Council will achieve its objectives. Management attention should also be focused on establishing a formal OH&S calendar/schedule, development of chemical registers for Council’s different sites, set up periodic reviews of OHSMS and re-enforcement of compliance with Council’s policies relating to fire

# DETAILED FINDINGS

Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>1. Certain policies and procedures to guide staff over OH&amp;S processes were outdated, still in draft and were not formally documented.</p> <p>Further, we noted instances where OH&amp;S related policies and procedures were not centrally located on Council’s intranet.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b> Comprehensive plans, policies and procedures are a crucial organisational tool, which set the tone required from management and provides guidance in day-to-day OH&amp;S related activities for staff. Policies and procedures help to ensure that operational processes are well designed, documented and performed in a consistent manner.</p> <p><b>Audit Finding:</b> Our review noted that:</p> <ul style="list-style-type: none"> <li>■ There were certain OH&amp;S related policies/procedures that were outdated. For example:                             <ul style="list-style-type: none"> <li>– Fire Prevent and Response Policy (was due for review in June 2016);</li> <li>– Emergency and Evacuation Policy (was due for review in February 2017);</li> <li>– Staff Complaints Procedure (was due for review in May 2017);</li> <li>– Staff and Contractor Code of Conduct (was due for review in January 2017);</li> </ul> </li> <li>■ Certain OH&amp;S policies and procedures were still in draft form and had not yet been finalised and approved at the conclusion of our review. To be specific:                             <ul style="list-style-type: none"> <li>– Management of Asbestos;</li> <li>– Testing of Electrical Equipment;</li> </ul> </li> <li>■ Certain processes and work instructions to guide staff over OH&amp;S were not formally documented. To be specific, processes relating to:                             <ul style="list-style-type: none"> <li>– Work site inspection;</li> </ul> </li> </ul>	<p><b>Impact:</b> Absence of formally documented, updated and easily located OH&amp;S related policies and procedures may result in:</p> <ul style="list-style-type: none"> <li>■ Inconsistent operations due to the lack of common and current guidelines;</li> <li>■ Increasing OH&amp;S related risks; and</li> <li>■ Loss of corporate knowledge in the event related staff leave the organisation.</li> </ul> <p><b>Recommended Action:</b> We recommend that Council management should:</p> <ol style="list-style-type: none"> <li>1. Review and update the outdated policies and procedures identified under the “Observation” column to ensure they remain current and relevant;</li> <li>2. Complete and adopt the draft policies and procedures identified under the “Observation” column as soon as practical to improve the adequacy of Council’s OH&amp;S related policies and procedures;</li> <li>3. Develop formally documented work instructions and/or procedures for processes identified under the “observation” column to guide staff over OH&amp;S related matters; and</li> </ol>	<p><b>Management Action:</b> <b>Recommendation 1:</b> Management Agrees.</p> <p>Action 1.1: Review and update the Fire Prevention and Response Policy. Action 1.2: Review and update the Emergency and Evacuation Policy. Action 1.3: Review and update the Staff Complaints Procedure. Action 1.4: Review and update the Staff and Contractor Code of Conduct.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2018</p> <p><b>Recommendation 2:</b> Management Agrees.</p> <p>Action 2.1: Complete and adopt the Management of Asbestos Policy and Procedure. Action 2.2: Complete and adopt the Testing of Electrical Equipment.</p> <p><b>Responsibility:</b> Manager Technical Services</p> <p><b>Timeframe:</b></p>

CONTENTS

Description of Finding	Observation	Impact and Recommended Action	Management Response
	<ul style="list-style-type: none"> <li>- Chemical hazardous substance and dangerous goods; and</li> <li>- Manual handling.</li> <li>■ Certain OH&amp;S related policies and procedures that were developed and maintained by Council’s different departments such as Home and Community Care, Kinder Garden, Immunisation and Nursing were not centrally located within Council’s Intranet to facilitate staff easy access.</li> </ul>	<p>4. Ensure all OH&amp;S related documents be communicated and centrally located within Council’s intranet to facilitate staff easy reference.</p>	<p>28 February 2018</p> <p><b>Recommendation 3:</b> Management Agrees. Action 3.1: Develop procedures for work site inspection. Action 3.2: Develop procedure for chemical hazardous substance and dangerous goods. Action 3.3: Develop manual handling procedure. <b>Responsibility:</b> Manager Operations <b>Timeframe:</b> 28 February 2018</p> <p><b>Recommendation 4:</b> Management Agrees Action 4.1: Strategic documents register to be updated to ensure overdue, outstanding and missing policies and procedures mentioned in this report are monitored for completion. <b>Responsibility:</b> Manager Executive and Commercial Services <b>Timeframe:</b> 28 February 2018</p>
<p>2. Absence of an OH&amp;S plan/strategy that links to Council Plan and OH&amp;S Policy.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b> A formally documented OH&amp;S plan/strategy outlines the overall strategic direction for OH&amp;S within an organisation and provides linkage to the overarching strategic plan, the OH&amp;S policy and supporting procedural</p>	<p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>■ In the absence of an OH&amp;S plan/strategy, there is an increased risk that OH&amp;S operational activities may not be aligned to Council’s long-term</li> </ul>	<p><b>Management Actions:</b> <b>Recommendation 5:</b> Management Agrees. Action 5.1 Develop and adopt an OH&amp;S plan/strategy.</p>



CONTENTS

Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>documents, as well as establishes OH&amp;S strategic goals and objectives that an organisation aims to achieve.</p> <p><b>Audit Finding:</b></p> <p>Our review noted that:</p> <ul style="list-style-type: none"> <li>■ The Council did not have an overarching OH&amp;S plan/strategy in place which outlines the overall strategic direction for OH&amp;S, provides linkage to the overarching Council Plan, OH&amp;S Policy and supporting procedural documents, and aligns with the AS4801:2001 standards.</li> </ul>	<p>vision and objectives, and AS4801:2001 standards.</p> <p><b>Recommended Action:</b></p> <p>We recommend that Council management should:</p> <p>5. Develop and adopt an OH&amp;S plan/strategy, which defines the means by which the organisation will achieve its objectives, targets and external requirements, and that aligns with the Council Plan and AS4801:2001 standards. The plan/strategy should incorporate (but not be limited to) the following areas:</p> <ul style="list-style-type: none"> <li>■ Introduction;</li> <li>■ Principle 1 – Commitment and Policy (e.g. resources, responsibility, and planning);</li> <li>■ Principle 2 – Planning (e.g. activities over OH&amp;S guided by annual workplan/calendar);</li> <li>■ Principle 3 – Implementation which should encompass:                             <ul style="list-style-type: none"> <li>– Accountability;</li> <li>– Capability;</li> <li>– Consultation;</li> <li>– Training;</li> <li>– Communication;</li> <li>– Regulatory compliance;</li> <li>– Reporting;</li> <li>– Organisational committee reporting structure for OH&amp;S;</li> <li>– Documentation and records;</li> </ul> </li> </ul>	<p><b>Responsibility:</b></p> <p>Manager Organisational Development.</p> <p><b>Timeframe:</b></p> <p>28 February 2019</p> <p><b>Recommendation 6:</b></p> <p>Management Agrees.</p> <p>Action 6.1: Obtain approval and endorsements from relevant stakeholders before adoption of OH&amp;S plan/strategy.</p> <p><b>Responsibility:</b></p> <p>Manager Organisational Development</p> <p><b>Timeframe:</b></p> <p>28 February 2019</p> <p><b>Recommendation 7:</b></p> <p>Management Agrees.</p> <p>Action 7.1: Ensure the OH&amp;S strategy/plan is reviewed regularly.</p> <p><b>Responsibility:</b></p> <p>Manager Organisational Development</p> <p><b>Timeframe:</b></p> <p>28 February 2019</p> <p><b>Recommendation 8:</b></p> <p>Management Agrees.</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
		<ul style="list-style-type: none"> <li>- Hazard identification;</li> <li>- Contractors and volunteers;</li> <li>- Chemicals/hazardous substances and asbestos exposure;</li> <li>- Working in Isolation, heat, outdoors or in confined spaces;</li> <li>- Contingency &amp; disaster plans;</li> <li>■ Principle 4 – Measurement and evaluation (e.g. KPI's);</li> <li>■ Review and improvement (e.g. annual review of plan, and annual summary report over OH&amp;S); and</li> <li>■ Definitions.</li> </ul> <p>The plan should be simple with references to individual OH&amp;S policies and procedures that fall under each category above;</p> <ol style="list-style-type: none"> <li>6. Obtain adequate approvals and endorsements from relevant stakeholders before implementation and communication to staff; and</li> <li>7. Review the plan/strategy on a regular basis to ensure it remains relevant, is meeting the needs of users and addresses any emerging issues that may arise; and</li> <li>8. Communicate and make available the above documents to all staff for easy reference.</li> </ol>	<p>Communicate OH&amp;S strategy/plan to all staff.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>3. A formal OH&amp;S schedule/calendar did not exist to assist in overseeing OH&amp;S inspections, testing and other monitoring programs).</p>	<p><b>Risk Rating: Low</b></p> <p><b>Standard/Criteria:</b> An OH&amp;S schedule/calendar is a simple tool which outlines actions that must be undertaken throughout the year, when they should occur, and who is responsible in order to meet the organisation's OH&amp;S objectives.</p> <p><b>Audit Finding:</b> Our review noted that:</p> <ul style="list-style-type: none"> <li>A formal OH&amp;S schedule/calendar did not exist to assist in overseeing OH&amp;S inspections, testing and other monitoring programs that meet both internal and external requirements.</li> </ul> <p>We acknowledged however that whilst a formal OH&amp;S schedule/calendar was not in place, the Council has adequately performed various OH&amp;S related inspections and audits throughout the year to ensure compliance with Council's policies and relevant regulatory requirements (e.g. review of asbestos, first aid training, work site inspections, buildings audit, hearing and skin check, vaccination, etc.).</p>	<p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>Absence of a documented OH&amp;S schedule/calendar that captures OH&amp;S inspections, testing and other priorities for the year may not allow for effective rolling out and monitoring of OH&amp;S initiatives and facilitating resources to be allocated appropriately.</li> </ul> <p><b>Recommended Action:</b> We recommend that Council management should:</p> <p>9. Develop a formal schedule/calendar to assist in overseeing OH&amp;S monitoring activities and priorities (e.g. on an annual basis) based on pre-determined criteria and risk assessment. The OH&amp;S schedule/calendar may include (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>Fire evacuation drills;</li> <li>Audits of personal protective equipment;</li> <li>Audits of chemicals/MSDS;</li> <li>Audits and risk assessments of plant and equipment;</li> <li>First aid kits inspections/refills;</li> <li>Audits of incidents and complaints actions completed by management in Advent Manager System;</li> <li>Work Site Inspection; and</li> <li>Vaccination and health checks;</li> </ul> <p>10. Ensure the schedule/calendar be updated regularly to account for any emerging risks/issues or where a particular incident/situation has been</p>	<p><b>Management Action:</b> <b>Recommendation 9:</b> Management Agrees. Action 9.1: Develop a formal schedule/calendar to assist in overseeing OH&amp;S monitoring activities and priorities.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p> <p><b>Recommendation 10:</b> Management Agrees. Action 10.1: Update schedule/calendar at least annually.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p> <p><b>Recommendation 11:</b> Management Agrees. Action 11.1: Provide at least an annual report on the status of the schedule/calendar actions.</p> <p><b>Responsibility:</b> Manager Organisational Development</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
		brought to management’s attention which requires site inspections and/or audits to be completed immediately; and  11. Include and report regularly the status of progress against the annual schedule/calendar to the OH&S Committee.	<b>Timeframe:</b> 28 February 2019
4. A chemicals and dangerous goods register did not exist within the Council to comply with the requirement under the OH&S Regulation 4.1.23.	<p><b>Risk Rating: High</b></p> <p><b>Standard/Criteria:</b>  <i>OH&amp;S Regulation 4.1.23</i> requires that an employer must ensure that a register is prepared and maintained of all hazardous substances and dangerous goods supplied to the employer's workplace. The register must contain:</p> <ul style="list-style-type: none"> <li>■ A list of the product names of the hazardous substances and dangerous goods supplied to the employer's workplace; and;</li> <li>■ A copy of the Material Safety Data Sheets (MSDS) for each of the hazardous substances and dangerous goods supplied to the employer's workplace.</li> </ul> <p>An employer must ensure that the register is readily accessible to any employee who may be exposed to a hazardous substance and dangerous goods.</p> <p><b>Audit Finding:</b>                      Our review noted that:</p> <ul style="list-style-type: none"> <li>■ The Council did not maintain a register of chemical and dangerous goods for monitoring and tracking of chemicals used on-site.</li> </ul> <p>Management advised that the requirement for a chemical register was discussed between OH&amp;S Committee and Executive management meetings and Council management had decided that the Council does not consume a significant amount of chemicals classified as "hazardous substance" hence no formal register was developed;</p>	<p><b>Impact:</b>                      In the absence of the chemical register:</p> <ul style="list-style-type: none"> <li>■ The Council does not comply with Regulation 4.1.23;</li> <li>■ There is an increased risk of outdated and uncontrolled chemicals and dangerous goods retained by Council; and</li> <li>■ Accidental contact with hazardous substances which may cause harm to employees.</li> </ul> <p><b>Recommended Action:</b>                      We recommend that Council management should:</p> <p>12. Develop and adopt chemical management procedures in accordance with the requirement under OH&amp;S Regulation 4.1.23. The procedures should include (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>■ Roles and responsibilities;</li> <li>■ Current chemical register and MSDS/Safety Information;</li> </ul>	<p><b>Management Action:</b>  <b>Recommendation 12:</b>                      Management Agrees.                      Action 12.1: Develop and adopt a chemical management procedure in accordance with the requirement under OH&amp;S Regulation 4.1.23.</p> <p><b>Responsibility:</b>                      Manager Operations</p> <p><b>Timeframe:</b>                      28 February 2019</p> <p><b>Recommendation 13:</b>                      Management Agrees.                      Action 13.1: Consider developing a chemical register.</p> <p><b>Responsibility:</b>                      Manager Operations</p> <p><b>Timeframe:</b>                      28 February 2019</p> <p><b>Recommendation 14:</b>                      Management Agrees.</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>Management also advised that the MSDSs were retained as hard copies at Council’s different worksites (e.g. Office Buildings, Depots, Kinder, etc.).</p> <ul style="list-style-type: none"> <li>We also noted that the Council did not have a formal procedure in place relating to chemical management (Refer to Finding No.1).</li> </ul>	<ul style="list-style-type: none"> <li>Procedures for identification of dangerous and hazardous chemicals;</li> <li>Procedures for introducing and purchasing of dangerous and hazardous chemicals into the workplace;</li> <li>Risk assessment of dangerous and hazardous chemicals;</li> <li>Procedures for controlling risks, including risk management, labelling of dangerous &amp; hazardous chemicals and enclosed systems, chemical storage, signage, disposal of chemicals, emergency facilities and consultation/training;</li> <li>Procedures for inspections; and</li> <li>References to the Act &amp; Regulations where appropriate.</li> </ul> <p>13. Develop a chemical register that contains a list of the product names of the both hazardous, non-hazardous substances and dangerous goods supplied to the Council's different workplaces; and</p> <p>14. Ensure the register is updated periodically to ensure it is current, accurate and complete.</p>	<p>Action 14.1: If a chemical register is developed, ensure it is updated at least annually.</p> <p><b>Responsibility:</b> Manager Operations</p> <p><b>Timeframe:</b> 28 February 2018</p>
<p>5. Absence of an annual OHSMS audit to determine the effectiveness of the system as</p>	<p><b>Risk rating: Medium</b></p> <p><b>Standard/Criteria:</b> Standard 4.5.4 of the AS4801:2001 requires that an organisation shall establish, implement and maintain an audit program and procedures for</p>	<p><b>Impact:</b> The absence of annual audits may result in the Council not being able to:</p> <ul style="list-style-type: none"> <li>Determine the effectiveness of the Health and Safety Management System appropriately; and</li> </ul>	<p><b>Management Action:</b> <b>Recommendation 15:</b> Management Agrees.</p> <p>Action 15.1: Conduct periodic audits on the Health and Safety</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>required by the Standard.</p>	<p>periodic OHSMS audits to ensure its continuing suitability, adequacy and effectiveness.</p> <p><b>Audit Finding:</b> Our review noted that:</p> <ul style="list-style-type: none"> <li>■ Our review noted that the Council had not performed any audits on the Health and Safety Management System to determine its effectiveness as required by Standard AS4801:2001; and</li> <li>■ Management advised that due to limited resources, the above requirements were not implemented.</li> </ul>	<ul style="list-style-type: none"> <li>■ Identify and address any issues with the system in a timely manner.</li> </ul> <p><b>Recommended Action:</b> We recommend that Council management should:</p> <ol style="list-style-type: none"> <li>15. Set up periodic audits on the Health and Safety Management System as required by the Standard;</li> <li>16. Consider forming OH&amp;S working groups (e.g. comprising of HSRs and selected staff members) to conduct periodic OH&amp;S audits in accordance with a pre-agreed schedule/calendar;  Alternatively: Consider employing a full-time OH&amp;S dedicated personnel for overseeing OH&amp;S processes across the Council and conducting OH&amp;S related audits where applicable; and</li> <li>17. Reports be subsequently prepared from the results of the audits and provided to key stakeholders such as the Executive Management Team, OH&amp;S Committee, and the Audit Committee</li> </ol>	<p>Management System as required by the Standard.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p> <p><b>Recommendation 16:</b> Management Agrees.  Action 16.1: Develop a business case for the effective resourcing of OH&amp;S strategy/plan development and implementation. <b>Responsibility:</b> Director Corporate Services <b>Timeframe:</b> 30 November 2017</p> <p><b>Recommendation 17:</b> Management Agrees.  Action 17.1: Provide reports on the audit of the Health and Safety Management System at completion. <b>Responsibility:</b> Manager Organisational Development <b>Timeframe:</b> 28 February 2019</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>6. An OH&amp;S training matrix is currently under development to assist in monitoring and tracking training needs and competencies of staff.</p>	<p><b>Risk Rating: Low</b></p> <p><b>Standard/Criteria:</b> An OH&amp;S training matrix assists with the identification, monitoring and tracking of training needs for staff.</p> <p><b>Audit Finding:</b> Our review noted that:</p> <ul style="list-style-type: none"> <li>■ An OH&amp;S training matrix is currently under development. A draft training calendar 2017/18 has been collated via consultation with managers across different sites and will be incorporated into a Learning Development System which is also underway; and</li> <li>■ We noted that most training related information for staff was retained within the Council’s HR Database detailing a wide range of training courses completed by staff (e.g. Excel courses, induction training, fraud awareness, Microsoft word).</li> </ul>	<p><b>Impact:</b> The absence of an OH&amp;S training matrix may result in:</p> <ul style="list-style-type: none"> <li>■ inefficient and inaccurate tracking of training needs and training completion by staff, which may lead to higher possibilities of incidents and hazards occur;</li> <li>■ The Council not being able to efficiently track when different training is due; and</li> <li>■ A risk that staff may be performing certain tasks and responsibilities without required OH&amp;S related competencies and/or expired licences/registrations.</li> </ul> <p><b>Recommended Action:</b> We recommend that Council management should:</p> <p>18. Finalise the OH&amp;S training matrix which captures all OH&amp;S related trainings. The training matrix should incorporate the following information (but not limited to):</p> <ul style="list-style-type: none"> <li>■ The nominated attendee to complete the training program;</li> <li>■ The training category (legislative or task specific);</li> <li>■ The name of the training course;</li> <li>■ The provider of the training course;</li> <li>■ The position title of the Manager who nominated the training program;</li> </ul>	<p><b>Management Action:</b> <b>Recommendation 18:</b> Management Agrees. Action 18.1: Finalise the OH&amp;S training matrix.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p> <p><b>Recommendation 19:</b> Management Agrees. Action 19.1: Develop a procedure for the updating/maintenance of training requirements and records.</p> <p><b>Responsibility:</b> Manager Organisational Development.</p> <p><b>Timeframe:</b> 28 February 2019</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
		<ul style="list-style-type: none"> <li>■ The reason for completing the training program/course;</li> <li>■ The duration of the training course;</li> <li>■ The renewal due date of the training course;</li> <li>■ The proposed training date; and</li> <li>■ The date the training course was attended.</li> </ul> <p>19. Ensure that the training matrix is continually updated as competencies are achieved and on completion of training.</p>	
<p>7. Fire drills were not conducted on a regular basis at Council's different sites in line with the Council's policy.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b> Council's Emergency Evacuation Policy requires that drills will be held at each site to ensure staff are familiar with emergency and evacuation procedures. Evacuation drills will be random and take place on different days and times to ensure staff get the opportunity to rehearse. A minimum of two evacuation drills should be held per year.</p> <p><b>Audit Finding:</b> Our review noted that:</p> <ul style="list-style-type: none"> <li>■ Fire evacuation drills were not performed at regular intervals (e.g. twice a year) across different sites as per Council's policy;</li> </ul> <p>Management advised that there was not a formal written document to substantiate the fire evacuation drill performed at Council's different sites during the last 12 months and the outcomes from such exercises.</p> <p>Management also advised that whilst the recent fire drills were performed at Wedderburn Head Office and Serpentine Office in April/May 2017, there was no similar training undertaken at the Council's depot locations.</p>	<p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>■ In the absence of undertaking fire evacuation drills at regular intervals, Council staff may not be adequately prepared in the event an actual disaster/emergency, to ensure the efficient and safe exit of staff at the premises/facilities.</li> </ul> <p><b>Recommended Action:</b> We recommend that Council management should:</p> <p>20. Reinforce the requirement for fire evacuation drills to be performed at all sites at least twice a year as per Council's policy;</p> <p>21. Ensure that evidence/report from the fire evacuation drills is retained and used to analyse and address any issues identified during the process;</p> <p>22. Incorporate the Emergency Evacuation Report Template into relevant policies/procedures; and</p>	<p><b>Management Action:</b> <b>Recommendation 20:</b> Management Agrees. Action 20.1: Include the need for twice yearly fire evacuation drills at all sites on the OH&amp;S schedule/calendar.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p> <p><b>Recommendation 21:</b> Management Agrees. Action 21.1: Develop a procedure for the retention of reports on fire evacuation drills.</p>



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Description of Finding	Observation	Impact and Recommended Action	Management Response
	<ul style="list-style-type: none"> <li>We acknowledged that the Council has recently developed an Emergency Evacuation Report template to facilitate recording and documenting details of the Evacuation training such as: location, type, areas for improvements, date of completion.</li> </ul>	<p>23. Review and update policies/processes/practices where relevant to address issues identified during drills.</p>	<p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p> <p><b>Recommendation 22:</b> Management Agrees. Action 22.1: Develop and incorporate an Emergency Evacuation Report Template into relevant policies and procedures.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p> <p><b>Recommendation 23:</b> Management Agrees. Action 23.1: Ensure policies /procedures /practices are updated to accommodate any learnings from Emergency Evacuation Reports.</p> <p><b>Responsibility:</b> Manager Organisational Development</p> <p><b>Timeframe:</b> 28 February 2019</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>8. Instances where we could not confirm whether new employees had been inducted on OH&amp;S when they commenced.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b> The Council's Induction Checklist stipulates that employees must receive initial induction with respect to OH&amp;S legislative requirements and obligations when they commence. Managers/Supervisors are responsible for ensuring that the personnel complete the required OH&amp;S induction within their working areas. The Managers are required to ensure that the employee attends an OH&amp;S induction session, and upon completion of the induction, the employee and Manager are required to sign-off on the Induction Checklist which is returned to HR within 2 weeks of commencement.</p> <p><b>Audit Finding:</b> Our testing identified 2 out of 7 (or 29%) instances where we could not confirm whether new employees had been inducted on OH&amp;S when they commenced, as their Induction Checklist was not returned to HR in a timely manner. The instances related to:</p> <ul style="list-style-type: none"> <li>■ Employee (JA) commenced on 30/8/2016; and</li> <li>■ Employee (LO), commenced on 2/2/2017.</li> </ul>	<p><b>Impact:</b> In the absence of signing off and return of the induction checklist in a timely manner:</p> <ul style="list-style-type: none"> <li>■ There is a possibility that key OH&amp;S requirements may not have been communicated prior to the commencement of work activities for new employees; and</li> <li>■ Employees may not be appropriately inducted on OH&amp;S and may be more at risk of injury or incidents.</li> </ul> <p><b>Recommended Action:</b> We recommend the Council management should:</p> <p>24. Reinforce the requirement for the Induction checklist to be completed, signed off by both employees and managers and returned to HR in a timely manner for filing purposes; and</p> <p>25. Establish a follow up and tracking process to ensure induction is completed as required.</p>	<p><b>Management Action:</b> <b>Recommendation 24:</b> Management Agrees. Action 24.1: Investigate software to automate, monitor and manage the timely completion of induction process.</p> <p><b>Responsibility:</b> Director Corporate Services</p> <p><b>Timeframe:</b> 28 February 2018</p> <p><b>Recommendation 25:</b> Management Agrees. Action 25.1: Advise people managers of the need to promptly complete and return induction checklists.</p> <p><b>Responsibility:</b> Manager Organisation Development</p> <p><b>Timeframe:</b> 30 November 2017</p>
<p>9. KPIs were not formally documented to measure performance and assist in ensuring that OH&amp;S objectives and targets are being met.</p>	<p><b>Risk rating: Low</b></p> <p><b>Standard/Criteria:</b> Key performance indicators (KPIs) assist to provide an indication of performance required to be achieved for Council's OH&amp;S activities.</p> <p><b>Audit finding:</b> Our review noted that:</p> <ul style="list-style-type: none"> <li>■ OH&amp;S related KPIs to measure performance and track progress of OH&amp;S related activities were not developed.</li> </ul>	<p><b>Impact:</b></p> <ul style="list-style-type: none"> <li>■ In the absence of established KPIs, reporting processes and practices adopted by the Council may not be effectively monitored to ensure the achievement of key OH&amp;S objectives.</li> </ul> <p><b>Recommended Action:</b> We recommend that Council management should:</p>	<p><b>Management Actions:</b> <b>Recommendation 26:</b> Management Agrees. Action 26.1: Ensure that the OH&amp;S strategy/plan includes recommended KPIs.</p> <p><b>Responsibility:</b> Manager Organisation Development.</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
	<p>We did acknowledge that the Council’s OH&amp;S reports identified the number of incidents by severity, trend and causes analysis and WorkCover claims for each quarter which were submitted to OH&amp;S Committee, Risk Management Committee and Audit Committee on a quarterly basis. However, there was no specific reference to any KPIs.</p>	<p>26. Consider developing KPIs to measure the performance and assist in ensuring that OH&amp;S objectives and targets are met. Examples of KPIs may include (but not limited to):</p> <ul style="list-style-type: none"> <li>■ Number of workplace death or serious injuries per period/year;</li> <li>■ Number of incidents where harm occurs is less than number of no harm / near miss incidents;</li> <li>■ Number of injuries that result in lost time greater than 1 day/1 shift;</li> <li>■ WorkCover claims (e.g. % improvement in WorkCover claim costs);</li> <li>■ The effectiveness of actions undertaken (e.g. number of actions completed for the period/year);</li> <li>■ The level of training activities (e.g. number of training courses delivered or coordinated by OH&amp;S team, number of participants in training courses delivered or coordinated, projected OH&amp;S related training against actual training etc.); and</li> </ul> <p>27. Include the measure of actual performance against KPIs to be reported to the OH&amp;S Committee and Management Executive periodically.</p>	<p><b>Timeframe:</b> 28 February 2019.</p> <p><b>Recommendation 27:</b> Management Agrees. Action 27.1: Continue to report and improve KPIs reported to Management Executive Group.</p> <p><b>Responsibility:</b> Manager Organisational Development.</p> <p><b>Timeframe:</b> 30 November 2017</p>

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Description of Finding	Observation	Impact and Recommended Action	Management Response
<p>10. An OH&amp;S actions register was not maintained to keep records of all OH&amp;S related matters for monitoring and tracking purposes.</p> <p>Noted instances that actions were not followed up and closed in a timely manner.</p>	<p><b>Risk Rating: Medium</b></p> <p><b>Standard/Criteria:</b></p> <p>The Council implements various means to identify potential hazards and improvement opportunities across the Council such as:</p> <ul style="list-style-type: none"> <li>OH&amp;S Representatives perform proactive OH&amp;S audits and inspections across the Council's different sites as a key part of their roles and responsibilities;</li> <li>WorkSafe audit reports;</li> <li>Lessons learnt from evacuation drill training; and</li> <li>Incident reporting through Advent Manager System;</li> </ul> <p>As such, it is important that where potential hazards and actions are identified and recorded through this process, that respective departmental managers implement the actions in a timely manner and that open actions should be followed up adequately to minimise associated OH&amp;S risks arising in the future.</p> <p><b>Audit Finding:</b></p> <p>Our review noted that:</p> <p><i>For OH&amp;S inspections and WorkSafe audits:</i></p> <ul style="list-style-type: none"> <li>Hazards and improvement opportunities identified through Council's inspections and Worksafe audits were not formally and centrally recorded in a register to facilitate the follow up and monitoring of OH&amp;S matters and issues identified.</li> </ul> <p>Management advised that while certain improvement opportunities were reported to the OH&amp;S Committee and are being addressed by respective managers, there was not a formal document to provide an overview on the implementation progress of those reports. We were also advised that follow up of actions would only be performed until the next inspections are scheduled.</p> <p><i>For incident reports:</i></p> <ul style="list-style-type: none"> <li>Matters identified through incident reports were captured in the Advent Manager System. However, the system was not configured</li> </ul>	<p><b>Impact:</b></p> <p>Hazards and improvement actions that are not centrally registered would result in:</p> <ul style="list-style-type: none"> <li>Inefficient tracking and monitoring of implementation progress of actions;</li> </ul> <p>Follow-up actions are not commented/actioned and closed off in a timely manner would result in:</p> <ul style="list-style-type: none"> <li>Incidents are not investigated appropriately for timely actions;</li> <li>Increasing risk of reoccurrence;</li> <li>Failure to reduce impacts of the incidents resulting in high level of WorkCover;</li> <li>Negative impacts on Council's reputation of repetitive incidents.</li> </ul> <p><b>Recommended Action:</b></p> <p>We recommend that Council management should:</p> <p>28. Develop and adopt an OH&amp;S actions register to record all OH&amp;S improvement opportunities. The register should contain (but not limited to) the following:</p> <ul style="list-style-type: none"> <li>Descriptions of matters;</li> <li>Related reports (e.g. Worksafe audit, Site inspection, Evacuation drill training)</li> <li>Locations/areas affected;</li> <li>Actions to be undertaken;</li> <li>Due date for actions;</li> </ul>	<p><b>Management Action:</b></p> <p><b>Recommendation 28:</b></p> <p>Management Agrees.</p> <p>Action 28.1: Develop an OHS actions register to record all OH&amp;S improvement opportunities to be followed up.</p> <p><b>Responsibility:</b></p> <p>Manager Organisational Development</p> <p><b>Timeframe:</b></p> <p>30 November 2017</p> <p><b>Recommendation 29:</b></p> <p>Management Agrees.</p> <p>Action 29.1: Investigate software to automate and monitor timely sign off of OH&amp;S incident reports.</p> <p><b>Responsibility:</b></p> <p>Manager Organisational Development</p> <p><b>Timeframe:</b></p> <p>28 February 2019</p> <p><b>Recommendation 30:</b></p> <p>Management Agrees.</p> <p>Establish an internal inspections/audits register in CAMMS to monitor and report on internal inspections/audit actions.</p> <p><b>Responsibility:</b></p>

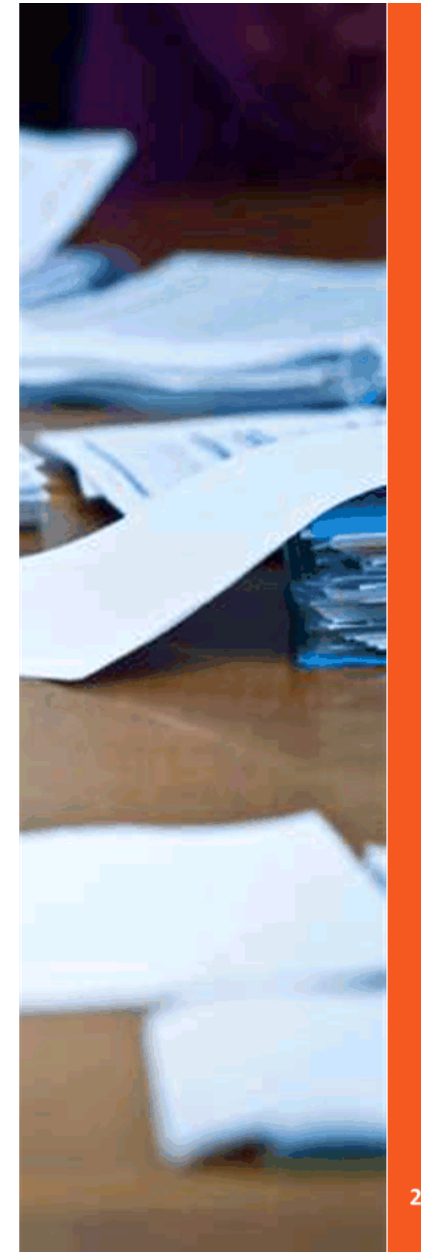
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Description of Finding	Observation	Impact and Recommended Action	Management Response																								
	<p>for manager/supervisor to include "due date" for actions to be completed;</p> <ul style="list-style-type: none"> <li>For incident reports lodged in Advent Manager, our sample testing noted 3 out of 5 instances (or 60%) where incident reports were not addressed/commented by managers/supervisors in a timely manner and follow-up actions were not undertaken with regards to the open incident reports. For examples:</li> </ul> <table border="1" data-bbox="517 499 1144 697"> <thead> <tr> <th>No.</th> <th>Incident No.</th> <th>Reporting date</th> <th>Sign off by manager</th> <th>Closed date</th> <th>Follow up actions</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>589</td> <td>6.6.17</td> <td>8.6.17</td> <td>No</td> <td>No</td> </tr> <tr> <td>2</td> <td>570</td> <td>14.3.17</td> <td>No</td> <td>No</td> <td>No</td> </tr> <tr> <td>3</td> <td>551</td> <td>21.12.16</td> <td>No</td> <td>No</td> <td>No</td> </tr> </tbody> </table>	No.	Incident No.	Reporting date	Sign off by manager	Closed date	Follow up actions	1	589	6.6.17	8.6.17	No	No	2	570	14.3.17	No	No	No	3	551	21.12.16	No	No	No	<ul style="list-style-type: none"> <li>Responsible personnel;</li> <li>Implementation status (e.g. quarterly);</li> <li>Revised timeline (if any).</li> </ul> <p>29. Re-enforce the requirement for respective manager/supervisor to comment and sign off the incident report in a timely manner;</p> <p>30. Ensure that follow-up action items identified during internal inspections/audits are to be actioned and closed off in a timely manner.</p>	<p>Director Corporate Services</p> <p><b>Timeframe:</b> 30 November 2017</p>
No.	Incident No.	Reporting date	Sign off by manager	Closed date	Follow up actions																						
1	589	6.6.17	8.6.17	No	No																						
2	570	14.3.17	No	No	No																						
3	551	21.12.16	No	No	No																						

# APPENDICES

- Appendix A:      Audit Approach and Procedures**
- Appendix B:      Personnel Consulted**
- Appendix C:      Finding Risk Rating Matrix**
- Appendix D:      Basis and Use of Report**

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# APPENDIX A: AUDIT APPROACH AND PROCEDURES

The approach for this engagement is presented below:

- Conducted interviews and system walkthroughs with key Council personnel involved in the management of OH&S;
- Reviewed policies, procedures, processes, manuals, reports and systems governing OH&S at the Council;
- Selected and validated samples where appropriate to determine whether selected controls that had been implemented for OH&S had been designed and were operating effectively;
- Where applicable, analysed performance data to determine level of compliance and undertake limited sample testing;
- Evaluated the results of the review to determine potential improvements and recommendations over OH&S at the Council, as well as positive aspects of control;
- Conducted a closing meeting with Project Sponsor following completion of the fieldwork to discuss:
  - Findings and potential improvements;
  - Recommendations to improve business process and internal controls;
  - Management's proposed actions to address the findings identified; and
- Issued a draft report to the Council management which contains audit findings based upon the results evaluated above; and
- Issued a final report and presented findings to the Audit Committee.

# APPENDIX B: PERSONNEL CONSULTED

We would like to take this opportunity to thank the staff at Loddon Shire Council for their co-operation and assistance during the course of our engagement.

Name	Title	Topic Discussed
Carol Canfield	Manager Organisational Development	<ul style="list-style-type: none"> <li>■ Audit scope;</li> <li>■ OH&amp;S policies and procedures;</li> <li>■ OH&amp;S training;</li> <li>■ Site Inspections;</li> <li>■ Incident reporting;</li> <li>■ OH&amp;S related reports;</li> <li>■ OH&amp;S and Audit Committee;</li> <li>■ Hazardous Substances; and</li> <li>■ Audit findings.</li> </ul>
Sharon Morrison	Director Corporate Services	<ul style="list-style-type: none"> <li>■ Audit scope;</li> <li>■ OH&amp;S policies and procedures;</li> <li>■ OH&amp;S training;</li> <li>■ Site Inspections;</li> <li>■ Incident reporting;</li> <li>■ OH&amp;S related reports;</li> <li>■ OH&amp;S and Audit Committee;</li> <li>■ Hazardous Substances; and</li> <li>■ Audit findings.</li> </ul>
Steven Phillips	Acting Director Operations	<ul style="list-style-type: none"> <li>■ OH&amp;S processes for Operation Departments; Technical Service Departments and Development and Compliance Departments.</li> </ul>

Name	Title	Topic Discussed
Peter Sporn	Building Maintenance Officer	<ul style="list-style-type: none"> <li>■ OH&amp;S processes for Building Maintenance; and</li> <li>■ Contractor OH&amp;S.</li> </ul>
Daniel Lloyd	Acting Manager Operations	<ul style="list-style-type: none"> <li>■ OH&amp;S processes for Depots;</li> <li>■ Contractor OH&amp;S.</li> </ul>
Paula Yorston	Manager Community Services	<ul style="list-style-type: none"> <li>■ OH&amp;S processes for Community Care Services and Serpentine Office.</li> </ul>
Alycia O'Sullivan	Early Years Co-ordinator	<ul style="list-style-type: none"> <li>■ OH&amp;S processes for Kinder gardens and Serpentine Office.</li> </ul>
Oswald Costello	Works Co-ordinator	<ul style="list-style-type: none"> <li>■ OH&amp;S processes for outdoor staff; and</li> <li>■ Contractor OH&amp;S.</li> </ul>
Michelle Hargreaves	Administration Officer Corporate Services	<ul style="list-style-type: none"> <li>■ Risk Management reports;</li> <li>■ Audit Committee meeting minutes;</li> </ul>
Heather Christie	Record Officer	<ul style="list-style-type: none"> <li>■ Contractor OH&amp;S.</li> </ul>
Sara Nesbit	Business Solutions Analyst	<ul style="list-style-type: none"> <li>■ Contractor OH&amp;S.</li> </ul>
Jodi Schumann	Project Management Coordinator	<ul style="list-style-type: none"> <li>■ Contractor OH&amp;S.</li> </ul>



# APPENDIX C: FINDING RISK RATING MATRIX

Findings arising during the course of the internal audit have been rated against the Issue Ratings Matrices below.

Risk Rating Matrix		Consequence				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
Likelihood	5 Frequent / almost certain	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
	4 Probable / likely	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
	3 Occasional / possible	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
	2 Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
	1 Rare	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

### Explanatory Notes to Risk Rating

Risk Rating	Definition	Guidance	Action Required
Extreme	Issue represents a serious control weakness, which could cause or is causing severe disruption of the process or severe adverse effect on the ability of the process to achieve its objectives.	Material errors and departures from the organisation's policies and procedures.  Financial management / accountability / probity concerns.  Significant breach of governing legislation and regulations which	Requires significant senior management intervention and may require significant mobilisation of resources, including external assistance.  Close and on-going monitoring by senior management to

Risk Rating	Definition	Guidance	Action Required
		may result in fines or other penalties.	resolution is highly recommended.  Requires extreme priority to immediate action and a program for prompt resolution.  Recommended timeframe for action: Immediate – 3 months.
High	Issue represents a control weakness, which could cause or is causing major disruption of the process or major adverse effect on the ability of the process to achieve its objectives.	Errors and departures from the organisation's policies and procedures.  Non-compliance with governing legislation and regulations which may result in fines or other penalties.  Collective impact of many medium or low issues.	Requires substantial senior management intervention,  On-going resource diversionary potential and may require possible external assistance.  Requires high priority to action.  Recommended timeframe for action: 3 – 6 months.
Medium	Issue represents a control weakness, which could cause or is causing moderate adverse effect on the ability of the process to achieve its objectives.	Events, operational, business, and financial risks that could expose the organisation to losses that could be marginally material to the organisation.  Departures from best practice management procedures and processes.	Requires considerable management intervention and may require possible external assistance.  Requires prompt action.  Recommended timeframe for action: 6 – 12 months.

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Risk Rating	Definition	Guidance	Action Required
Low	Issue represents a minor control weakness, which is minimal but reportable impact on the ability of the process to achieve its objectives.	<p>Events, operational, and business risks that could expose the organisation to losses which are not material due to the low probability of occurrence of the event on the operating capacity, reputation and regulatory compliance.</p> <p>Departures from management procedures and processes; however, appropriate monitoring and governance generally mitigates these risks.</p>	<p>Requires management attention and possible use of external resources.</p> <p>Requires action commensurate with the process objectives.</p> <p>Recommended timeframe for action: Depending on the availability of scarce resources.</p>

# APPENDIX D: BASIS AND USE OF REPORT

We are engaged by Loddon Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit Committee.

This report has been prepared in accordance with the objectives and procedures agreed in the audit scope document and subject to the following limitations:

- Our procedures were designed to provide limited assurance which recognises that absolute assurance is rarely attainable, due to such factors as the use of judgement in gathering and evaluating evidence and forming conclusions, and the use of selective testing, and because much of the evidence available for review is persuasive rather than conclusive in nature.
- Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout a specified period and any tests performed were on a sample basis.
- Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree or compliance with them may deteriorate.
- The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
- Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.
- This report is not to be used by any other party for any purpose nor should any other party seek to rely on the opinions, advice or any information contained within this report. In this regard, we recommend that parties seek their own independent advice. HLB Mann Judd disclaims all liability to any party other than the client for which it was prepared in respect of or in consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than the client for which it was prepared, who chooses to rely in any way on the contents of this report, does it so at their own risk.

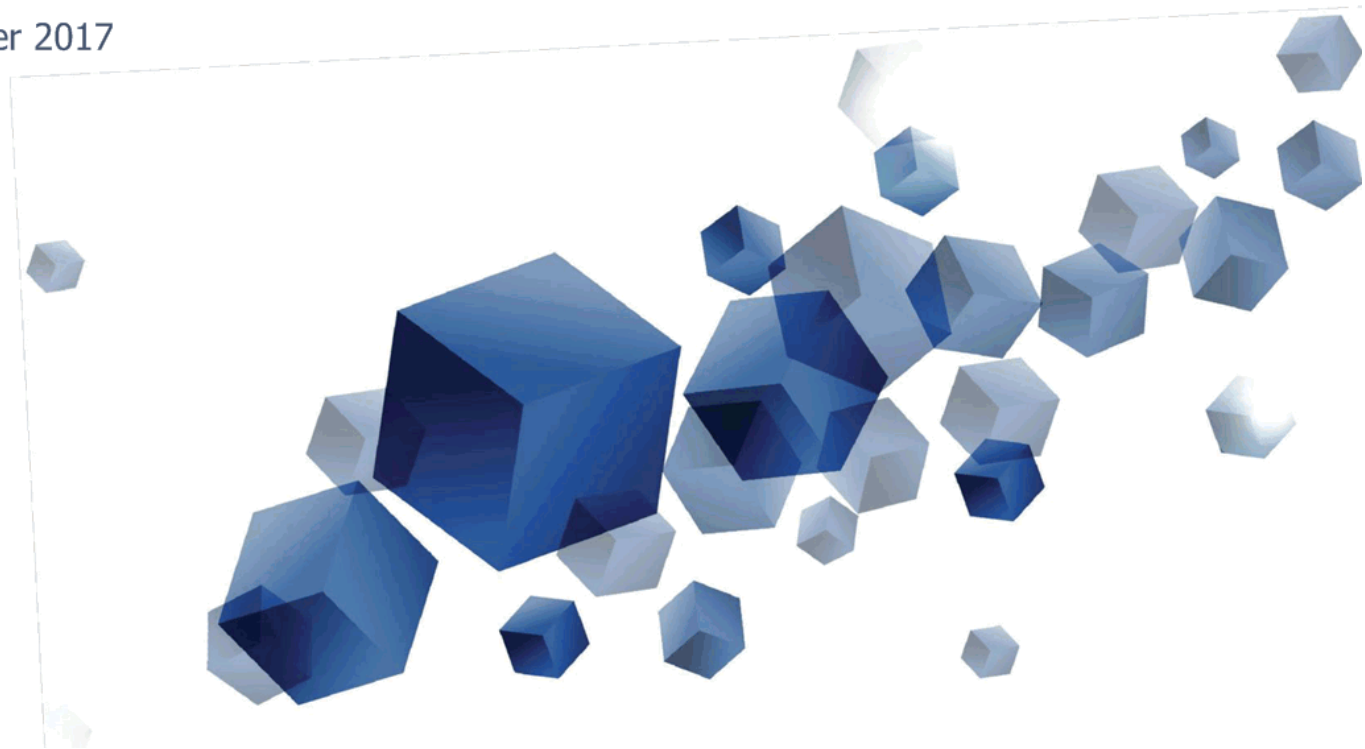
The information in this report and in any related oral presentation made by HLB Mann Judd is confidential between HLB Mann Judd and the client for which it was prepared and should not be disclosed, used or duplicated in whole or in part for any purpose except with the prior written consent of HLB Mann Judd. An electronic copy or print of this document is an uncontrolled copy.



## Loddon Shire Council

### Review of Data Analytics (Accounts Payable, Accounts Receivable and Payroll)

October 2017



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Appendix D: Personnel consulted ..... 26  
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**Disclaimer**

Inherent limitation – the nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence.

*Third party reliance*

Other than our responsibility to Loddon Shire Council, neither HLB Mann Judd (VIC) Pty Ltd nor any member or employee of HLB Mann Judd (VIC) Pty Ltd undertakes responsibility arising in any way from reliance placed by a third party, on this report. Any reliance placed is that party's sole responsibility.

Our report is for the sole use of Loddon Shire Council and is not to be used by any other person for any other purpose and may not be distributed, duplicated, quoted, referred to, in whole or in part, without our prior written consent.



# EXECUTIVE SUMMARY

## Introduction

As part of the internal audit services provided to Loddon Shire Council (the "Council"), HLB Mann Judd has undertaken a data analytics review of key financial controls over the Accounts Receivable, Accounts Payable and Payroll functions. The objective of this exercise was to assure that relevant finance related controls are operating effectively, and to facilitate in ensuring the completeness, accuracy and validity of financial systems transaction data and information obtained in the relevant master files.

The review has been agreed by the Council's Audit Committee and the executive team and forms part of the 2017-2018 Internal Audit Program.

## Background

Organisations are tapping into increasingly sophisticated analytics techniques to improve opportunities for growth, innovation and competitive advantage. Applying analytics technologies, tools, techniques and talent can transform dry facts and figures into strategic insights that deliver intelligence in the moment. Specific and complex business problems can be solved on reliable intel, not gut-instinct. Organisations can equip data analytics to make fact-based decisions across the value chain to increase overall performance, differentiation and profitable growth, while mitigating risks.

The data analytics software ("ACL") is a valuable tool, which enables the analysis of large data sets against established business rules. Comprehensive data analytics provides the following benefits:

- Assurance to the Audit Committee, and to the Council, on system and input controls, and the bona fides of transaction information;
- Analyses large volumes of data from the Council's information systems, to identify exceptions against prescribed rules, and any trends from these exceptions;

- Identifies system control weaknesses, deficient data input practices and processes, and individual transactions that may require management focus and/or investigation;
- Identifies fraud before it becomes material and focusses detection efforts on suspicious transactions; and
- Compares data from diverse sources to identify instances of fraud or non-compliance.

## Our Approach

With the assistance of the Council management, we extracted and analysed relevant data for the period from 1 August 2016 to 31 July 2017 (i.e. a 12-month period).

We then performed various tests based on different criteria to identify records that fell outside pre-defined parameters suggesting non-compliance with business rules. For example, ABN should be valid according to the ABN validity logic, employees' TFN should be 9-digit, or employee records in the masterfile should not be duplicated. From these identified potential anomalies, we selected samples and tested them to determine whether there were valid explanations or business reasons for their occurrence in the data set.

## Positive Aspects of Control

The following positive business practices were noted in regards to accounts payable, accounts receivable and payroll processes at the Council:

### Accounts Payable:

- Adequate and comprehensive accounts payable related policies and procedures are in place at the Council;
- Financial delegations schedules exist and clearly define the delegations of authority for approving accounts payable related transactions;

- The vendor masterfile is maintained and updated as required, and access is restricted to key staff only. Our testing did not identify any exceptions based on criteria tested (i.e. duplicate vendor names, account number or incorrect ABN's etc.);
- A sample of high value payments were checked for adherence to internal protocols with respect to approvals and no discrepancies were noted. Further, dates of payments were also checked to determine whether any invoices had been paid on unusual days (i.e. weekends or public holidays) and no anomalies were detected;

#### Accounts Receivable:

- Adequate and comprehensive accounts receivable related policies and procedures are in place at the Council;
- Financial delegations schedules exist and clearly define the delegations of authority for approving accounts receivable related transactions;
- Analysis was performed on the customer masterfile and no exceptions were noted (i.e. duplicate address, names or other details such as customer ID etc.). Further, access to the master file was restricted to key staff only;
- Outstanding invoices and ageing reports are prepared, monitored, and tracked by the Finance department to follow-up on overdue debtors;
- A sample of credit notes was also selected and traced to supporting documentation. This process did not identify any exceptions and appropriate approvals were obtained;

#### Payroll:

- Adequate and comprehensive payroll related policies and procedures exist at Council;
- The employee masterfile is maintained and updated as required, and access is restricted to key staff only. During our testing, we did not come across any missing or duplicate details such as employee TFN, name or addresses etc.; and
- Payments made to employees were also checked against various criteria and we noted no exceptions (i.e. no excessive overtime payments, incorrect payments or payments made to employees after termination date etc.).

## Limitation of Scope

#### Accounts Payable:

- We did not perform data analytics testing for 6 out of 19 criteria assessment areas due to:
  - System capabilities as this information could not be extracted in the manner required (masterfile and transactional data to potentially identify redundant vendor information and payments made before the invoice date);
  - The nature of a non-integrated system between manual/hardcopy purchase orders raised and approved and the finance system used to process invoice payments at Council. Therefore, tests involving purchase orders were not performed (i.e. purchase orders without authorisation, purchase order authorisations not meeting the delegations of authority, invoices without a PO and invoice value exceeding the PO value etc.);

#### Accounts Receivable:

- We did not perform data analytics testing for 6 out of 14 criteria assessment areas due to:
  - System capabilities as this information could not be extracted in the manner required (masterfile and transactional data to potentially identify redundant customer information);
  - The nature of the Councils' operations where there are no sales orders raised in the system as part of Council's business as per usual processes. Therefore, tests involving sales orders were not undertaken (i.e. duplicate sales order numbers, missing or gaps in sales orders, sales invoice created before sales order, sales invoice that cannot be matched to a sales order and sales order created on weekends).

#### Payroll:

- We did not perform data analytics testing for 1 of 14 criteria assessment areas due to system limitations. Masterfile changes/audit log reports could not be generated from the system identifying employees that have made changes to Masterfile data.

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### Summary of Key Findings

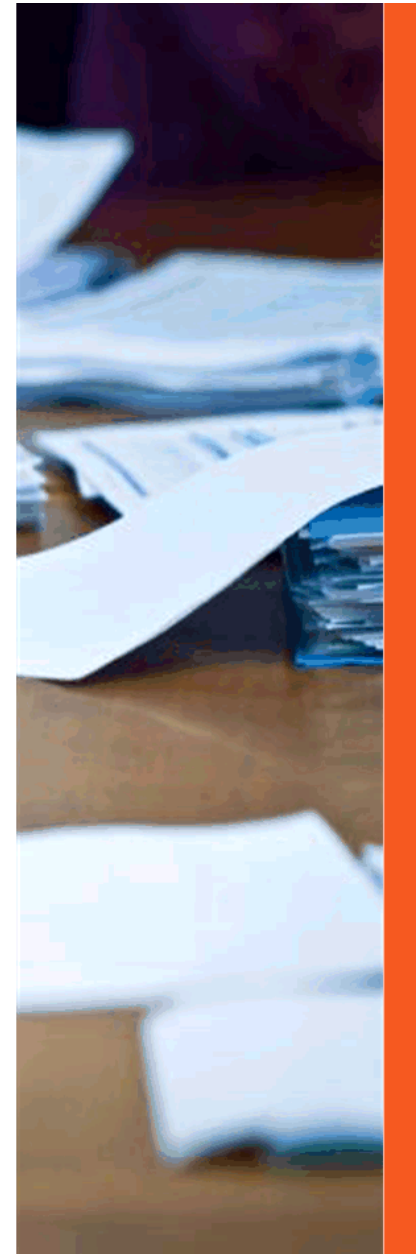
Based on our analysis of the data and testing of potential anomalies, there were no exceptions identified during our review. We believe that the Council has robust controls and processes in place with respect to the completeness, accuracy and validity of financial systems transactions data, and information contained in the relevant master files over accounts payable, accounts receivables and payroll.



# APPENDICES

- Appendix A: Accounts Payable Data Interrogation**
- Appendix B: Payroll Data Interrogation**
- Appendix C: Accounts Receivable Data Interrogation**
- Appendix D: Personnel Consulted**
- Appendix E: Basis and Use of Report**

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# APPENDIX A: ACCOUNTS PAYABLE DATA INTERROGATION

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample testing	Explanation / Observation																		
<b>Supplier Master Table</b>																							
1. Duplicate vendor names	1,382	8	0.57%	5	<p>1,382 vendor records were extracted and 8 vendors were identified as potential duplicates by vendor name. Upon further and analysis, we noted that the system also has the capability to adequately identify and differentiate active and inactive vendors.</p> <p>A sample of 5 potential exceptions was tested and we confirmed the following with the Manager Financial Services:</p> <table border="1"> <thead> <tr> <th>Vendor Name</th> <th>Number of Duplicates</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>Arnold Family Butchers</td> <td>2</td> <td>1 record exists for old owners and the second one under the new owners with different ABN and bank account details. The previous owner's records were inactive in the system.</td> </tr> <tr> <td>Dale Jackson</td> <td>2</td> <td>1 old vendor record exists which was as inactive in the system.</td> </tr> <tr> <td>Empire State Hotel</td> <td>2</td> <td>One record exists for old owners and the second one for new owners which has a different ABN and bank account details. The previous owner's records were inactive in the system.</td> </tr> <tr> <td>Newbridge Hotel</td> <td>2</td> <td>One record exists for old owners and the second one for new owners which has a different ABN and bank account details. The previous owner's records were inactive in the system.</td> </tr> <tr> <td>Northern Central Electrics</td> <td>2</td> <td>One record exists for old owners and the second one for new owners which has a different ABN and bank account details. The previous owner's records were inactive in the system.</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	Vendor Name	Number of Duplicates	Comments	Arnold Family Butchers	2	1 record exists for old owners and the second one under the new owners with different ABN and bank account details. The previous owner's records were inactive in the system.	Dale Jackson	2	1 old vendor record exists which was as inactive in the system.	Empire State Hotel	2	One record exists for old owners and the second one for new owners which has a different ABN and bank account details. The previous owner's records were inactive in the system.	Newbridge Hotel	2	One record exists for old owners and the second one for new owners which has a different ABN and bank account details. The previous owner's records were inactive in the system.	Northern Central Electrics	2	One record exists for old owners and the second one for new owners which has a different ABN and bank account details. The previous owner's records were inactive in the system.
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CONTENTS

<p>2. Duplicate bank account number</p>	<p>1,382</p>	<p>33</p>	<p>2.38%</p>	<p>5</p>	<p>33 vendor records identified as potential duplicates by bank account details (BSB and account number). A sample of 5 potential exceptions for duplicate bank accounts was tested and we confirmed the following with the Manager Financial Services:</p> <table border="1"> <thead> <tr> <th>Vendor Name</th> <th>Number of Duplicates</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>CGU Insurance</td> <td rowspan="2">2</td> <td rowspan="2">Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.</td> </tr> <tr> <td>CGU worker's compensation</td> </tr> <tr> <td>Telstra Damage Cost recovery &amp; Mge</td> <td rowspan="2">2</td> <td rowspan="2">Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.</td> </tr> <tr> <td>Telstra</td> </tr> <tr> <td>DCA Direct Health Pty Ltd</td> <td rowspan="2">2</td> <td rowspan="2">Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.</td> </tr> <tr> <td>Health Connex</td> </tr> <tr> <td>East Loddon Historical Society</td> <td rowspan="2">2</td> <td rowspan="2">Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.</td> </tr> <tr> <td>Mitiamo Public Hall</td> </tr> <tr> <td>Woodstock Public Hall</td> <td rowspan="2">2</td> <td rowspan="2">Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.</td> </tr> <tr> <td>Woodstock recreation Reserve</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	Vendor Name	Number of Duplicates	Comments	CGU Insurance	2	Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.	CGU worker's compensation	Telstra Damage Cost recovery & Mge	2	Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.	Telstra	DCA Direct Health Pty Ltd	2	Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.	Health Connex	East Loddon Historical Society	2	Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.	Mitiamo Public Hall	Woodstock Public Hall	2	Same organisation with different departments that provided services to the Council. Therefore, invoice payments are made to the same account.	Woodstock recreation Reserve
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<p>3. Duplicate vendor by ABN</p>	<p>1,382</p>	<p>35</p>	<p>2.53%</p>	<p>5</p>	<p>35 vendor records identified as potential duplicates by ABN number. A sample of 5 potential exceptions for duplicate ABN `s was tested and we confirmed the following with the Manager Financial Services:</p> <table border="1"> <thead> <tr> <th>Vendor Name</th> <th>Number of Duplicates</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>Dept Trans Plan &amp; Local Infra</td> <td rowspan="2">1</td> <td rowspan="2">Same supplier, different departments and different bank accounts, therefore a single ABN.</td> </tr> <tr> <td>Dept Trans Plan &amp; Local Infra AC2</td> </tr> <tr> <td>MAV Insurance- liability Mutual Ins</td> <td rowspan="2">1</td> <td rowspan="2">Same supplier, different department, different contact details and different bank account, therefore a single ABN.</td> </tr> <tr> <td>Municipal Association of Victoria</td> </tr> <tr> <td>Champions Supa IGA</td> <td>1</td> <td></td> </tr> </tbody> </table>	Vendor Name	Number of Duplicates	Comments	Dept Trans Plan & Local Infra	1	Same supplier, different departments and different bank accounts, therefore a single ABN.	Dept Trans Plan & Local Infra AC2	MAV Insurance- liability Mutual Ins	1	Same supplier, different department, different contact details and different bank account, therefore a single ABN.	Municipal Association of Victoria	Champions Supa IGA	1										
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4. Vendors who are also employees	1382	4	0.28%	4	<p>4 potential vendors were detected which had bank accounts in the employee payroll system as well. The complete population of potential exceptions for vendors who are employees was tested and we confirmed the following with the Manager Financial Services:</p> <table border="1"> <thead> <tr> <th>Vendor Name</th> <th>Employee Number</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>B&amp;T Pool Painting &amp; Maintenance</td> <td>329</td> <td>This business is owned and run by a Council employee and their family members and provides a service to Council.</td> </tr> <tr> <td>Gregory John Williams</td> <td>1185</td> <td>Joint bank accounts (married couple) whereby the council employee is married to the supplier contracted to run the Wedderburn Caravan Park.</td> </tr> <tr> <td>Grant Jackson</td> <td>1284</td> <td>Prior to becoming an employee with Loddon Shire Council, the employee was providing services to council as a vendor (i.e. contracted to undertake grass slashing services).</td> </tr> <tr> <td>Leon A Holt</td> <td>110</td> <td>Joint bank accounts (married couple) whereby the council employee is married to the supplier providing services to council (i.e. supplier owns a septic tank pumping business).</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	Vendor Name	Employee Number	Comments	B&T Pool Painting & Maintenance	329	This business is owned and run by a Council employee and their family members and provides a service to Council.	Gregory John Williams	1185	Joint bank accounts (married couple) whereby the council employee is married to the supplier contracted to run the Wedderburn Caravan Park.	Grant Jackson	1284	Prior to becoming an employee with Loddon Shire Council, the employee was providing services to council as a vendor (i.e. contracted to undertake grass slashing services).	Leon A Holt	110	Joint bank accounts (married couple) whereby the council employee is married to the supplier providing services to council (i.e. supplier owns a septic tank pumping business).
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Leon A Holt	110	Joint bank accounts (married couple) whereby the council employee is married to the supplier providing services to council (i.e. supplier owns a septic tank pumping business).																		
5. Vendors with invalid ABN	1,382	0	0%	N/A	No vendors identified with invalid ABN.															
6. Potentially redundant vendors	N/A	N/A	N/A	N/A	We requested masterfile and transactional related data from the finance system. However, the Council could not generate the data for us in the manner required due to system complexities required. Therefore, the data interrogation exercise element for this area could not be performed.															
7. Vendors without bank	1,382	22	1.59%	5	22 vendor records identified without a bank account number. Further sample testing of 5 records highlighted that the account numbers were not entered for the following reasons below:															

CONTENTS

account number					<table border="1"> <thead> <tr> <th>Vendor Name</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>Ausnet Electricity Services Pty Ltd</td> <td>Supplier paid by cheque, last transaction was in 2014 and vendor is still active.</td> </tr> <tr> <td>Building Practitioners Board</td> <td>Supplier paid by cheque, last transaction was in 2015 and vendor is still active.</td> </tr> <tr> <td>Buloke Shire Council</td> <td>Supplier paid by cheque, last transaction was in Feb 2017 and vendor is still active.</td> </tr> <tr> <td>City of Wodonga</td> <td>Supplier paid by cheque, last transaction was in June 2016, vendor is still active.</td> </tr> <tr> <td>Department for Education Child Dev</td> <td>Supplier has not been used yet, status set as cheque with no account details provided.</td> </tr> </tbody> </table>	Vendor Name	Comments	Ausnet Electricity Services Pty Ltd	Supplier paid by cheque, last transaction was in 2014 and vendor is still active.	Building Practitioners Board	Supplier paid by cheque, last transaction was in 2015 and vendor is still active.	Buloke Shire Council	Supplier paid by cheque, last transaction was in Feb 2017 and vendor is still active.	City of Wodonga	Supplier paid by cheque, last transaction was in June 2016, vendor is still active.	Department for Education Child Dev	Supplier has not been used yet, status set as cheque with no account details provided.																												
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				No exceptions noted.																																									
<b>Payments</b>																																													
8. Benford's analysis on payments	4,075	N/A	N/A	N/A	<p>Benford's law, also called the first-digit law, is an observation about the frequency distribution of leading digits in many real-life sets of numerical data. The law states that in many naturally occurring collections of numbers, the leading significant digit is likely to be small. For example, in sets which obey the law, the number 1 appears as the most significant digit about 30% of the time, while 9 appears as the most significant digit less than 5% of the time.</p> <p>We performed Benford's analysis on the payment amount and noted that the actual count was within the range of expected count.</p> <table border="1"> <thead> <tr> <th>Leading Digits</th> <th>Actual Count</th> <th>Expected Count</th> <th>Zstat Ratio</th> </tr> </thead> <tbody> <tr><td>1</td><td>2257</td><td>2406</td><td>3.617</td></tr> <tr><td>2</td><td>1362</td><td>1407</td><td>1.316</td></tr> <tr><td>3</td><td>925</td><td>999</td><td>2.47</td></tr> <tr><td>4</td><td>998</td><td>775</td><td>8.432</td></tr> <tr><td>5</td><td>740</td><td>633</td><td>4.419</td></tr> <tr><td>6</td><td>472</td><td>535</td><td>2.799</td></tr> <tr><td>7</td><td>428</td><td>463</td><td>1.674</td></tr> <tr><td>8</td><td>417</td><td>409</td><td>0.39</td></tr> <tr><td>9</td><td>393</td><td>366</td><td>1.435</td></tr> </tbody> </table>	Leading Digits	Actual Count	Expected Count	Zstat Ratio	1	2257	2406	3.617	2	1362	1407	1.316	3	925	999	2.47	4	998	775	8.432	5	740	633	4.419	6	472	535	2.799	7	428	463	1.674	8	417	409	0.39	9	393	366	1.435
Leading Digits	Actual Count	Expected Count	Zstat Ratio																																										
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7	428	463	1.674																																										
8	417	409	0.39																																										
9	393	366	1.435																																										

CONTENTS

					<p style="text-align: center;">Leading Digits BENFORD ON PL_AMOUNT LEADING 1 TO GRAPH</p>
					No unusual trend or pattern in the payment transactions was identified when Benford's law was applied.
9. Payments made on or before the invoice date	N/A	N/A	N/A	0	We requested transactional related data from the finance system. However, the Council could not generate the data for us due to system complexities and manually intensive processes required (i.e. no automated reports could be extracted that linked invoice dates with payment dates). Therefore, the data interrogation exercise element for this area could not be performed.
10. Purchase order without authorisation	N/A	N/A	N/A	N/A	Due to the nature of a non-integrated system between manual/hardcopy purchase orders raised and approved and the finance system used to process invoice payments, the data interrogation exercise element of this review could not be performed.
11. Purchase order authorisation does not meet the delegations of authority	N/A	N/A	N/A	N/A	
12. Invoices without a PO	N/A	N/A	N/A	N/A	

CONTENTS

13. Invoice value exceeding the PO value	N/A	N/A	N/A	N/A																									
14. Payments without an invoice number	4,075	0	0%	N/A	No payments detected without invoice number. No exceptions noted.																								
15. Payments with unusual dates (i.e. public holiday)	4,075	0	0%	N/A	Payment dates were cross checked against the Victorian public holiday chart. No payments were made on public holidays. No exceptions noted.																								
16. Payments made on weekends	4,075	12	0.29%	5	12 payments were noted to have been made on weekends. A sample of 5 potential exceptions were tested and we confirmed the following with the Manager Financial Services:																								
					<table border="1"> <thead> <tr> <th>Pay Date</th> <th>Day</th> <th>Payment Number</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>20/11/2016</td> <td>Sunday</td> <td>918391</td> <td>This was an automatic deduction for Attache Software Aust Pty Ltd, invoice was actually entered on a business day.</td> </tr> <tr> <td>31/12/2016</td> <td>Saturday</td> <td>918431</td> <td>This was an automatic deduction for Vision Super Pty Ltd, invoice was actually entered on a business day.</td> </tr> <tr> <td>26/02/2017</td> <td>Sunday</td> <td>918504</td> <td>Invoice paid via electronic banking transfer for Jkg Solutions Pty Ltd on 28/2/2017 (Tuesday), invoice dated 26/2/2017 (Sunday).</td> </tr> <tr> <td>30/04/2017</td> <td>Sunday</td> <td>918590</td> <td>This was an automatic deduction for Vision Super Pty Ltd, invoice was actually entered on a business day.</td> </tr> <tr> <td>20/05/2017</td> <td>Saturday</td> <td>918597</td> <td>This was an automatic deduction for Attache Software Aust Pty Ltd, invoice was actually entered on a business day.</td> </tr> </tbody> </table>	Pay Date	Day	Payment Number	Comments	20/11/2016	Sunday	918391	This was an automatic deduction for Attache Software Aust Pty Ltd, invoice was actually entered on a business day.	31/12/2016	Saturday	918431	This was an automatic deduction for Vision Super Pty Ltd, invoice was actually entered on a business day.	26/02/2017	Sunday	918504	Invoice paid via electronic banking transfer for Jkg Solutions Pty Ltd on 28/2/2017 (Tuesday), invoice dated 26/2/2017 (Sunday).	30/04/2017	Sunday	918590	This was an automatic deduction for Vision Super Pty Ltd, invoice was actually entered on a business day.	20/05/2017	Saturday	918597	This was an automatic deduction for Attache Software Aust Pty Ltd, invoice was actually entered on a business day.
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20/05/2017	Saturday	918597	This was an automatic deduction for Attache Software Aust Pty Ltd, invoice was actually entered on a business day.																										
No exceptions noted.																													
17. Payments made to vendors with a missing/incorrect ABN	4,075	86	2.11%	5	86 potential payments were identified having been made to vendors with missing ABN numbers. A sample of 5 potential exceptions were tested and we confirmed the following with the Manager Financial Services:																								
					<table border="1"> <thead> <tr> <th>Payment ID</th> <th>Vendor Name</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>6621390</td> <td>Laanecoorie Gold Bash</td> <td>Community group payments, no ABN required, community grant or sponsorship payment only.</td> </tr> <tr> <td>6621525</td> <td>Little lake Boort Management</td> <td>Community group payments, no ABN required, community grant or sponsorship payment only.</td> </tr> </tbody> </table>	Payment ID	Vendor Name	Comments	6621390	Laanecoorie Gold Bash	Community group payments, no ABN required, community grant or sponsorship payment only.	6621525	Little lake Boort Management	Community group payments, no ABN required, community grant or sponsorship payment only.															
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					<table border="1"> <tr> <td>T6238941C</td> <td>About Boort Newsletter</td> <td>Community group payments, no ABN required, community grant or sponsorship payment only.</td> </tr> <tr> <td>144000921472</td> <td>Ken Belfrage</td> <td>Community group payments, no ABN required, community grant or sponsorship payment only.</td> </tr> <tr> <td>6750385</td> <td>Mitchell Park Manage Comm</td> <td>Community group payments, no ABN required, community grant or sponsorship payment only.</td> </tr> </table> <p>No exceptions noted.</p>	T6238941C	About Boort Newsletter	Community group payments, no ABN required, community grant or sponsorship payment only.	144000921472	Ken Belfrage	Community group payments, no ABN required, community grant or sponsorship payment only.	6750385	Mitchell Park Manage Comm	Community group payments, no ABN required, community grant or sponsorship payment only.									
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18. Missing cheque numbers	85	14	16.47%	5	<p>14 potential gap ranges were identified. A sample of 5 potential exceptions were tested and we confirmed with the Manager Financial Services that this was due to system capabilities.</p> <p>We noted in the event there were cheque payments to be processed for a particular vendor that had multiple invoice transactions (i.e. transactions recorded across more than 1 page) system issues would occur resulting in an error and hence a cancelled cheque. The Council overcomes this by preparing 2 separate cheques for payments with multiple transactions across more than 1 page. Given there are only a few vendors where such matters arise, it was not deemed a matter to address within the system configuration based on cost/benefit analysis.</p> <p>No exceptions noted.</p>																		
19. A sample of high value payments to validate whether they have been approved in line with policy	4,075	N/A	N/A	5	<p>A sample of 5 high value payments were selected and we confirmed that they were mainly payments made under contractual arrangements with external parties or purchase orders were raised and approved according to the Delegations of Authority.</p> <table border="1"> <thead> <tr> <th>Payment ID</th> <th>Vendor Name</th> <th>Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>44726</td> <td>Blr Provincial Construction Pty Ltd</td> <td>213,243.62</td> </tr> <tr> <td>43294</td> <td>Boral resources (VIC) Pty Ltd</td> <td>853,090.94</td> </tr> <tr> <td>918238</td> <td>Bendigo and Adelaide Bank Ltd</td> <td>2,000,000.00</td> </tr> <tr> <td>41862</td> <td>FNG Group Pty Ltd</td> <td>331,623.86</td> </tr> <tr> <td>43950</td> <td>Boral resources (VIC) Pty Ltd</td> <td>201,592.33</td> </tr> </tbody> </table> <p>For the samples selected above, the supporting documents were inspected to confirm validity and authenticity.</p> <p>No exceptions noted.</p>	Payment ID	Vendor Name	Amount (\$)	44726	Blr Provincial Construction Pty Ltd	213,243.62	43294	Boral resources (VIC) Pty Ltd	853,090.94	918238	Bendigo and Adelaide Bank Ltd	2,000,000.00	41862	FNG Group Pty Ltd	331,623.86	43950	Boral resources (VIC) Pty Ltd	201,592.33
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# APPENDIX B: PAYROLL DATA INTERROGATION

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observation																								
<b>Employee Master Table</b>																													
1. Duplicate employee name	197	0	0.00%	0	197 employee records were identified as active at the time of the review. No active employee records were identified as duplicates.																								
2. Duplicate employee bank details	197	36	18.27%	5	<p>36 active employee records were identified as duplicates by account number.</p> <p>We performed testing on a sample of 5 exceptions and noted the following in conjunction with the Human Resources Coordinator:</p> <table border="1"> <thead> <tr> <th>BSB</th> <th>Account number</th> <th>Duplicates</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>092-xxx</td> <td>116xxx</td> <td>2</td> <td>Child Support bank transfer account, deductions of the relevant amount from the staff member are deposited into this account.</td> </tr> <tr> <td>063-xxx</td> <td>10015xxx</td> <td>2</td> <td>Employees within Council with joint bank accounts (married/de-facto couples).</td> </tr> <tr> <td>063-xxx</td> <td>11427xxx</td> <td>2</td> <td>Employees within Council with joint bank accounts (married/de-facto couples).</td> </tr> <tr> <td>484-xxx</td> <td>54269xxx</td> <td>2</td> <td>Employees within Council with joint bank accounts (married/de-facto couples).</td> </tr> <tr> <td>193-xxx</td> <td>494177xxx</td> <td>2</td> <td>Employees within Council with joint bank accounts (married/de-facto couples).</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	BSB	Account number	Duplicates	Comments	092-xxx	116xxx	2	Child Support bank transfer account, deductions of the relevant amount from the staff member are deposited into this account.	063-xxx	10015xxx	2	Employees within Council with joint bank accounts (married/de-facto couples).	063-xxx	11427xxx	2	Employees within Council with joint bank accounts (married/de-facto couples).	484-xxx	54269xxx	2	Employees within Council with joint bank accounts (married/de-facto couples).	193-xxx	494177xxx	2	Employees within Council with joint bank accounts (married/de-facto couples).
BSB	Account number	Duplicates	Comments																										
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CONTENTS

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observation																		
3. Duplicate employee address	197	15	7.61%	5	<p>15 active employee records were identified as duplicates by address.</p> <p>We performed testing on a sample of 5 potential exceptions and confirmed the following with the Human Resources Coordinator:</p> <table border="1"> <thead> <tr> <th>Address</th> <th>Duplicates</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>xx High Street</td> <td>2</td> <td>Employees within Council who reside together (married couples/de-facto couples/friends).</td> </tr> <tr> <td>xx Tantalla Street</td> <td>2</td> <td>Employees within Council who reside together (married couples/de-facto couples/friends).</td> </tr> <tr> <td>xx Belac Street</td> <td>2</td> <td>Employees within Council who reside together (married couples/de-facto couples/friends).</td> </tr> <tr> <td>xx Reef Street</td> <td>2</td> <td>Employees within Council who reside together (married couples/de-facto couples/friends).</td> </tr> <tr> <td>xx Calder Highway</td> <td>2</td> <td>Employees within Council who reside together (married couples/de-facto couples/friends).</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	Address	Duplicates	Comments	xx High Street	2	Employees within Council who reside together (married couples/de-facto couples/friends).	xx Tantalla Street	2	Employees within Council who reside together (married couples/de-facto couples/friends).	xx Belac Street	2	Employees within Council who reside together (married couples/de-facto couples/friends).	xx Reef Street	2	Employees within Council who reside together (married couples/de-facto couples/friends).	xx Calder Highway	2	Employees within Council who reside together (married couples/de-facto couples/friends).
Address	Duplicates	Comments																					
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xx Calder Highway	2	Employees within Council who reside together (married couples/de-facto couples/friends).																					
4. Employees without an address	197	0	0%	0	<p>There were no employees created without an address.</p> <p>No exceptions noted.</p>																		
5. Duplicate Tax File Number (TFN)	197	0	0.00%	0	<p>No duplicate TFN numbers were identified.</p> <p>No exceptions noted.</p>																		
6. Employee with no TFN	197	0	0.00%	0	<p>There were no employees created without a TFN.</p> <p>No exceptions noted.</p>																		
7. Employee with invalid	197	0	0%	N/A	<p>There were no employees with invalid TFNs.</p>																		

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Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observation					
TFN (i.e. too long or too short)					No exceptions noted.					
8. Employee records with no name	197	0	0.00%	0	There were no employee records created without a name. No exceptions noted.					
9. Changes made to an employee record by the same employee	N/A	N/A	N/A	N/A	Analysis not done as Masterfile changes/audit log report could not be extracted from the system in the manner required.					
<b>Employee Payments</b>										
10. Excessive overtime payments	329	0	0%	N/A	There were no excessive overtime payments made to employees. No exceptions noted.					
11. Duplicate payments to employees	31834	16	0.05%	5	16 payroll payments were identified as possible duplicates (multiple payments in a single pay period). We selected 5 samples and further testing confirmed that the multiple payments in the same period were due to a special payment or SEO leave loading payment.					
					<table border="1"> <thead> <tr> <th>Employee ID</th> <th>Pay Period</th> <th>Duplicates found</th> <th>Paid Amount (\$)</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>928</td> <td>30-Oct-16</td> <td>2</td> <td>119.77</td> <td>This employee was engaged to work 8 hours casual on 2 different tasks in one pay period. Two ledger numbers were required for</td> </tr> </tbody> </table>	Employee ID	Pay Period	Duplicates found	Paid Amount (\$)	Comments
Employee ID	Pay Period	Duplicates found	Paid Amount (\$)	Comments						
928	30-Oct-16	2	119.77	This employee was engaged to work 8 hours casual on 2 different tasks in one pay period. Two ledger numbers were required for						

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CONTENTS

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observation
					costing. Therefore 4 hours was costed to each ledger number.
					1229 18-Sep-16 2 245.86 Overtime for employee during a flood. Whilst payments were processed fortnightly, we noted outdoor staff entered and submitted timesheets on a weekly basis (therefore 2 processes although they relate to different hours worked).
					425 16-Oct-16 2 45.08 Overtime payment during the same pay period. Whilst payments were processed fortnightly, we noted outdoor staff entered and submitted timesheets on a weekly basis (therefore 2 processes although they relate to different hours worked).
					323 27-Nov-16 2 240.4 Overtime payment during the same pay period. Whilst payments were processed fortnightly, we noted outdoor staff entered and submitted timesheets on a weekly basis (therefore 2 processes although they relate to different hours worked).
					483 05-Mar-17 2 120.2 Overtime payment during the same pay period. Whilst payments were processed fortnightly, we noted outdoor staff entered and submitted timesheets on a weekly basis (therefore 2 processes although they relate to different hours worked).
					No exceptions noted.
12. Payments made to employees after termination	31834	0	0%	0	There were no payments made to terminated employees after their termination date. No exceptions noted.

CONTENTS

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observation															
13. Employees who are also set up as vendors within the Accounts Payable system	197	2.03%	4	4	<p>4 potential employees were detected whom also had similar bank account detailed recorded in the Council's vendor masterfile system as well. The complete population of potential exceptions for employees whom are vendors was tested and we confirmed the following with the Manager Financial Services:</p> <table border="1"> <thead> <tr> <th>Vendor Name</th> <th>Employee Number</th> <th>Comments</th> </tr> </thead> <tbody> <tr> <td>B&amp;T Pool Painting &amp; Maintenance</td> <td>329</td> <td>This business is owned and run by employee and his family members and provides a service to Council.</td> </tr> <tr> <td>Gregory John Williams</td> <td>1185</td> <td>This is the husband of one of the staff members who is contracted to run the Wedderburn Caravan Park using a joint family account for payroll.</td> </tr> <tr> <td>Grant Jackson</td> <td>1284</td> <td>Prior to becoming an employee with Loddon Shire Council, Grant was contracted to undertake grass slashing services.</td> </tr> <tr> <td>Leon A Holt</td> <td>110</td> <td>This is the husband of Jude Holt who owns a septic tank pumping business. Using a joint family account for payroll.</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	Vendor Name	Employee Number	Comments	B&T Pool Painting & Maintenance	329	This business is owned and run by employee and his family members and provides a service to Council.	Gregory John Williams	1185	This is the husband of one of the staff members who is contracted to run the Wedderburn Caravan Park using a joint family account for payroll.	Grant Jackson	1284	Prior to becoming an employee with Loddon Shire Council, Grant was contracted to undertake grass slashing services.	Leon A Holt	110	This is the husband of Jude Holt who owns a septic tank pumping business. Using a joint family account for payroll.
Vendor Name	Employee Number	Comments																		
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Leon A Holt	110	This is the husband of Jude Holt who owns a septic tank pumping business. Using a joint family account for payroll.																		
14. Payments made to employee bank accounts through the Accounts	7752	16	0.20%	5	<p>16 potential payments were made to employee bank accounts through the Accounts Payable system. A sample of 5 potential exceptions was tested and we confirmed the following:</p>															

CONTENTS

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observation			
Payable system					Invoice number	Employee Number	Vendor Name	Remarks
					12018	329	B&T POOL PAINTING & MAINTENANCE	This business is owned and run by employee and his family members and provides a service to Council.
					12026	329	B&T POOL PAINTING & MAINTENANCE	This business is owned and run by employee and his family members and provides a service to Council.
					85	110	Leon A Holt	This is the husband of an ex-employee who owns a septic tank pumping business. Using a joint family account.
					90	110	Leon A Holt	This is the husband of ex-employee who owns a septic tank pumping business. Using a joint family account.
					85	110	Leon A Holt	This is the husband of an ex-employee who owns a septic tank pumping business. Using a joint family account.
No exceptions noted.								

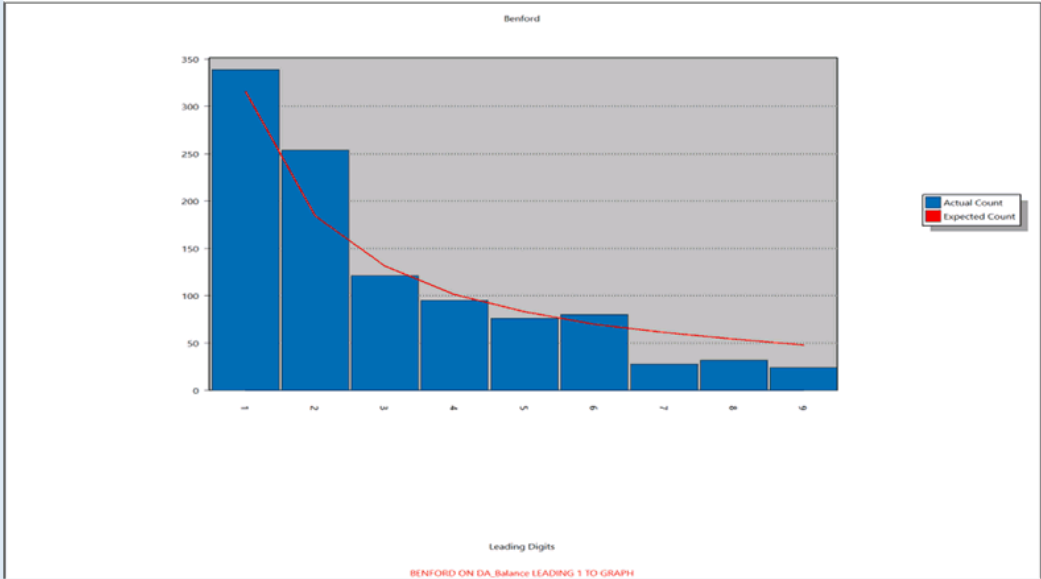
# APPENDIX C: ACCOUNTS RECEIVABLE

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observations																								
1. Duplicate customer number/ID	18,503	0	0%	0	No duplicate by customer number were noted. No exceptions noted.																								
2. Duplicate customer name	18,503	1,644	8.88%	5	<p>1,644 duplicate customer records identified. A sample of 5 potential exceptions were tested and we confirmed the following with the Manager Financial Services:</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Locality</th> <th>Number of duplicates</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Church of England</td> <td>Bendigo</td> <td>2</td> <td>Same client with different postal addresses.</td> </tr> <tr> <td>Country Fire Authority</td> <td>Kerang</td> <td>2</td> <td>Same name but different regions and different client IDs.</td> </tr> <tr> <td>Department Environment &amp; Primary Industries</td> <td>East Melbourne</td> <td>2</td> <td>Same name but 2 different departments and client ID`s for payment purposes.</td> </tr> <tr> <td>Department of Health &amp; Human Services</td> <td>Melbourne</td> <td>2</td> <td>Same name but 2 different departments with different postal addresses.</td> </tr> <tr> <td>Department of Transport &amp; Regional Services</td> <td>Canberra</td> <td>2</td> <td>Same name but different departments for payment purposes.</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	Name	Locality	Number of duplicates	Remarks	Church of England	Bendigo	2	Same client with different postal addresses.	Country Fire Authority	Kerang	2	Same name but different regions and different client IDs.	Department Environment & Primary Industries	East Melbourne	2	Same name but 2 different departments and client ID`s for payment purposes.	Department of Health & Human Services	Melbourne	2	Same name but 2 different departments with different postal addresses.	Department of Transport & Regional Services	Canberra	2	Same name but different departments for payment purposes.
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Department of Transport & Regional Services	Canberra	2	Same name but different departments for payment purposes.																										
3. Duplicates by customer address	18,503	3,666	19.81%	5	3,666 potential duplicate debtor records were identified by customer address. Further testing on a sample of 5 confirmed that the instances were associated to different customers who share the same address. No exceptions noted.																								

Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observations																																								
4. Redundant debtor records (no transactions or entries processed against the debtor in the past 2 years)	N/A	N/A	N/A	N/A	<p>Council's financial management receivables system and rating system use the same client database. This system retains the full debtors, and rates and other health/building/planning history going back to pre-1999.</p> <p>Some clients have properties as well as debtor accounts and no client files are deleted once they are deemed obsolete, therefore all history is retained.</p> <p>Where a client should no longer be used a note/commentary is recorded in the system against the client as no longer required. In the event that client records are subsequently opened, an alert/pop-up opens to remind staff.</p>																																								
5. Benford's analysis on outstanding debtor balances	550	0	0.00%	0	<p>Benford's law, also called the first-digit law, is an observation about the frequency distribution of leading digits in many real-life sets of numerical data. The law states that in many naturally occurring collections of numbers, the leading significant digit is likely to be small. For example, in sets which obey the law, the number 1 appears as the most significant digit about 30% of the time, while 9 appears as the most significant digit less than 5% of the time.</p> <p>We performed Benford's analysis on the outstanding invoice amount and noted that the actual count was within the range of expected count.</p> <table border="1"> <thead> <tr> <th>Leading Digit</th> <th>Actual Count</th> <th>Expected Count</th> <th>Zstat Ratio</th> </tr> </thead> <tbody> <tr><td>1</td><td>100</td><td>101</td><td>0.005</td></tr> <tr><td>2</td><td>58</td><td>59</td><td>0.045</td></tr> <tr><td>3</td><td>44</td><td>42</td><td>0.293</td></tr> <tr><td>4</td><td>23</td><td>32</td><td>1.64</td></tr> <tr><td>5</td><td>40</td><td>26</td><td>2.645</td></tr> <tr><td>6</td><td>24</td><td>22</td><td>0.25</td></tr> <tr><td>7</td><td>11</td><td>19</td><td>1.842</td></tr> <tr><td>8</td><td>16</td><td>17</td><td>0.145</td></tr> <tr><td>9</td><td>18</td><td>15</td><td>0.581</td></tr> </tbody> </table>	Leading Digit	Actual Count	Expected Count	Zstat Ratio	1	100	101	0.005	2	58	59	0.045	3	44	42	0.293	4	23	32	1.64	5	40	26	2.645	6	24	22	0.25	7	11	19	1.842	8	16	17	0.145	9	18	15	0.581
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					 <p data-bbox="900 917 1075 941">No exceptions noted.</p>																								
6. Trend and transactional analysis for amounts outstanding from debtors ('Summarise', 'Age' and 'Stratify' functions using ACL software)	N/A	N/A	N/A	N/A	<p data-bbox="900 981 1478 1005">The top 10 debtors with amounts outstanding as at 31 July 2017 were:</p> <table border="1" data-bbox="900 1021 1512 1294"> <thead> <tr> <th>SN</th> <th>Name</th> <th>Outstanding Amount (\$)</th> <th>Invoice Count</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Emergency Management Victoria</td> <td>167,000.00</td> <td>1</td> </tr> <tr> <td>2</td> <td>Telstra Corporation Ltd</td> <td>7,490.69</td> <td>1</td> </tr> <tr> <td>3</td> <td>Boort Lakes Holiday Park</td> <td>5,958.35</td> <td>1</td> </tr> <tr> <td>4</td> <td>Millen Dianne</td> <td>3,468.61</td> <td>1</td> </tr> <tr> <td>5</td> <td>Jean Peet</td> <td>2,394.79</td> <td>1</td> </tr> </tbody> </table>	SN	Name	Outstanding Amount (\$)	Invoice Count	1	Emergency Management Victoria	167,000.00	1	2	Telstra Corporation Ltd	7,490.69	1	3	Boort Lakes Holiday Park	5,958.35	1	4	Millen Dianne	3,468.61	1	5	Jean Peet	2,394.79	1
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					Days	Count	Percent of Count	Outstanding Amount
					0 - 29	334	48.19%	218,047
					30 - 59	225	32.46%	107,808
					60 - 89	78	11.25%	50,610
					90 - 119	22	3.17%	5,049
					120 - 10,000	34	4.61%	99,603
					<b>Totals</b>	693	100%	481,117
7. Duplicate sales invoice numbers	24,868	0	0.00%	0	No duplicate sales invoice numbers found. No exception noted.			
8. Duplicate sales order numbers	N/A	N/A	N/A	N/A	Due to the nature of the Councils' operations, there were no sales orders raised in the system. As a result, we did not perform analytics testing for the 5 criteria to test as these tests were not within the Council's business as per usual processes.			
9. Missing or gaps in sales order numbering	N/A	N/A	N/A	N/A				
10. Sales invoice created before sales order (by comparing dates for corresponding documents)	N/A	N/A	N/A	N/A				
11. Sales invoice that cannot be matched to a sales order	N/A	N/A	N/A	N/A				

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Description of Analysis	Total No. of records	No. of potential exceptions	% of potential exceptions	Sample Testing	Explanation / Observations																
12. Sales invoice or, public holidays or with unusual dates	N/A	N/A	N/A	N/A																	
13. Identification, analysis and validation of credit notes processed.	1130	-	-	3	<p>1130 credit notes identified with a total value of \$4,724,363.13. We selected a sample of 3 credit notes to investigate the authenticity of the transaction by reviewing the supporting documents and approval.</p> <table border="1"> <thead> <tr> <th>Debtor Name</th> <th>Amount</th> <th>No of CR invoices</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Korong Leisure centre</td> <td>-2184.03</td> <td>1</td> <td>Invoice was raised twice by mistake, hence reversal generated. Evidence cited and approval obtained.</td> </tr> <tr> <td>Pyramid Hill College</td> <td>-1700.09</td> <td>1</td> <td>Invoice was raised twice by mistake, hence reversal generated. Evidence cited and approval obtained.</td> </tr> <tr> <td>Inglewood Lions Club</td> <td>-322.59</td> <td>1</td> <td>Invoice did not have enough information included, was over charged at first hence the credit note. Evidence and approval cited.</td> </tr> </tbody> </table> <p>No exceptions noted.</p>	Debtor Name	Amount	No of CR invoices	Remarks	Korong Leisure centre	-2184.03	1	Invoice was raised twice by mistake, hence reversal generated. Evidence cited and approval obtained.	Pyramid Hill College	-1700.09	1	Invoice was raised twice by mistake, hence reversal generated. Evidence cited and approval obtained.	Inglewood Lions Club	-322.59	1	Invoice did not have enough information included, was over charged at first hence the credit note. Evidence and approval cited.
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Inglewood Lions Club	-322.59	1	Invoice did not have enough information included, was over charged at first hence the credit note. Evidence and approval cited.																		
14. Identification and validation of potential duplicate credit notes	1130	0	0%	NA	<p>No duplicate credit notes identified.</p> <p>No exceptions noted.</p>																

## APPENDIX D: PERSONNEL CONSULTED

We would like to take this opportunity to thank the staff at the Council for their co-operation and assistance during the course of our engagement.

Name	Title	Topic Discussed
Sharon Morrison	Director Corporate Services	Opening meeting to brief the scope; and Audit outcome discussion.
Deanne Caserta	Manager, Finance	Accounts payable & receivable related analysis.
Janine Jackson	Human Resources Coordinator	Payroll related analysis.
Sara Nesbit	Business Solutions Analyst	Payroll data extraction.

## APPENDIX E: BASIS AND USE OF REPORT

We are engaged by Loddon Shire Council (the client) to provide internal audit services and the scope of our activities is determined by management and reviewed by the Audit Committee.

This report has been prepared in accordance with the objectives and procedures agreed in the audit scope document and subject to the following limitations:

- Our procedures were designed to provide limited assurance which recognises that absolute assurance is rarely attainable, due to such factors as the use of judgement in gathering and evaluating evidence and forming conclusions, and the use of selective testing, and because much of the evidence available for review is persuasive rather than conclusive in nature.
  - Because of the inherent limitations of any internal control structure, it is possible that errors or irregularities may occur and not be detected. Our procedures were not designed to detect all weaknesses in control procedures as they were not performed continuously throughout a specified period and any tests performed were on a sample basis.
  - Any projection of the evaluation of the control procedures to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree or compliance with them may deteriorate.
  - The matters raised in this report are only those which come to our attention during the course of performing our procedures and are not necessarily a comprehensive statement of all the weaknesses that exist or improvements that might be made. We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, management should not rely on our report to identify all weaknesses that may exist in the systems and procedures under examination, or potential instances of non-compliance that may exist.
  - Recommendations for improvement should be assessed by management for their full commercial impact, before they are implemented.
- This report is not to be used by any other party for any purpose nor should any other party seek to rely on the opinions, advice or any information contained within this report. In this regard, we recommend that parties seek their own independent advice. HLB Mann Judd disclaims all liability to any party other than the client for which it was prepared in respect of or in consequence of anything done, or omitted to be done, by any party in reliance, whether whole or partial, upon any information contained in this report. Any party, other than the client for which it was prepared, who chooses to rely in any way on the contents of this report, does it so at their own risk.



Loddon Shire Council

Final management letter

Year ended 30 June 2017

## Contents

<b>1</b>	<b>Executive Summary .....</b>	<b>3</b>
1.1	Purpose of the management letter .....	3
1.2	Scope of work performed.....	3
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<b>2</b>	<b>Detailed findings and recommendations .....</b>	<b>5</b>
2.1	Ability to deliver capital works .....	5
<b>3</b>	<b>Status of high- and extreme-risk issues from interim management letter .....</b>	<b>7</b>
<b>4</b>	<b>Prior period issues .....</b>	<b>8</b>



## 1 Executive Summary

### 1.1 Purpose of the management letter

The purpose of this management letter is to bring to your attention matters arising from the final phase of the financial report audit of the Loddon Shire council for the year ended 30 June 2017. This letter should be read in conjunction with closing report issued in September 2017. These documents together satisfy our communication responsibilities with regards to reporting significant control deficiencies identified during the audit and other significant matters relevant to the financial reporting process.

As explained in the audit strategy issued in March 2017, the financial audit is designed to enable the Auditor-General to express an opinion on the annual financial report and whilst the audit considered internal controls relevant to the preparation of the financial report, the audit does not express an opinion on the effectiveness of those controls.

### 1.2 Scope of work performed

In accordance with our planned audit approach, the final audit included examination of financial processes and systems supporting the following material components of the financial statements:

- Expenditure
- Revenue
- Payroll
- Investments

The work conducted was not a comprehensive audit of all systems and processes and was not designed to uncover all deficiencies, breaches and irregularities in those systems and processes. Inherent limitations in any management process and system of internal control may mean that errors or irregularities might occur and not be detected.

#### 1.2.1 Current year findings

The following table is a summary of the issues arising from the final phase of the financial report audit. For further details of each issue, including management's responses, refer to Section 2.

Issue reference	Description of finding	Rating			
		Extreme	High	Medium	Low
2.1	Achievement of capital works budget			X	

#### 1.2.2 Status of current year interim findings

The following table is a summary of the status of high-risk issues raised in our interim management letter. For further details of each issue refer to section 3.

Issue reference	Description of finding	Risk rating	Issues raised	Status
	No matters noted			

### 1.2.3 Prior year findings

The following table is a summary of issues arising from previous audits and the status of remediation activities. For further details of each issue refer to Section 4.

Issue reference	Description of finding	Risk rating	Issues raised	Status
	No open matters at the commencement of the audit			

### 1.3 Management acceptance

All findings have been discussed with management. Action plans have been developed by management to address each recommendation.

## 2 Detailed findings and recommendations

---

This section outlines the observation, implication, recommendation and management comments and action plans for each audit finding.

### 2.1 Ability to deliver capital works

Rating: Mod

#### 2.1.1 Observation

There is a considerable variance between the budgeted capital works and that actually delivered during the year.

#### 2.1.2 Implication

While there can be varying causes that impact the ability to deliver on the capital works budget, it remains critical that Council delivers capital works in line with that budgeted.

Where it is identified that works will not be delivered in the year budgeted this should be clearly identified and disclosed to ensure that actual target capital works are delivered.

#### 2.1.3 Recommendation

Council should review the ability to deliver projects outlined in the capital budget, and where necessary make provision for adjustment. Where budgeted works are not likely to be delivered in the year, this should be identified and disclosed at the earliest point possible.

#### 2.1.4 Management comments and action plan

Recommendation accepted:  Yes  No

Responsible officer: Manager Financial Services

Implementation date: Ongoing

Management comment and action plan: Council will continue to report on the performance of the capital works progress throughout the financial year to management and Council. In addition, a business case has recently been discussed with Council regarding the resourcing of current and future works programs. In 2017/18, Council will seek additional project managers to help deliver projects in the 2017/18 program. When setting the 2018/19 Budget, the resources required will be assessed to ensure that the full capital works program is achievable. Projects that will not be completed during 2017/18 will be identified and included within the 2018/19 Budget where possible as carry forward projects.

### 3 Status of high- and extreme-risk issues from interim management letter

---

This section outlines the current status of management actions to address the audit recommendation from the interim management letter. The issues included in this section have been restricted to those rated high and/or extreme which required corrective action within a maximum of two months.

No high or extreme risk issues were identified from the interim management letter.

## 4 Prior period issues

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This section outlines the current status of management actions to address the audit recommendation from the prior period audit.

No matters outstanding at the commencement of the audit.

## Appendix A – Rating definitions

The rating of audit issues in this report reflects our assessment of both the likelihood and consequence of each identified issue in terms of its impacts on:

- the effectiveness and efficiency of operations, including probity, propriety and compliance with applicable laws
- the reliability, accuracy and timeliness of financial reporting.

The rating also assists management in its prioritisation of remedial action.

We may include extreme, high or moderate rated issues in our reports to Parliament on the results of financial statement audits.

**Table: Rating definitions and management action**

Rating	Definition	Management action required
Extreme	<p>The issue represents:</p> <ul style="list-style-type: none"> <li>• a control weakness which could cause or is causing <b>severe</b> disruption of the process or severe adverse effect on the ability to achieve process objectives and comply with relevant legislation; or</li> <li>• a <b>material</b> misstatement in the financial report has occurred.</li> </ul>	<p>Requires immediate management intervention with a detailed action plan to be implemented within one month.</p> <p>Requires executive management to correct the material misstatement in the financial report as a matter of urgency to avoid a modified audit opinion.</p>
High	<p>The issue represents:</p> <ul style="list-style-type: none"> <li>• a control weakness which could have or is having a <b>major</b> adverse effect on the ability to achieve process objectives and comply with relevant legislation; or</li> <li>• a <b>material</b> misstatement in the financial report that is likely to occur.</li> </ul>	<p>Requires prompt management intervention with a detailed action plan implemented within two months.</p> <p>Requires executive management to correct the material misstatement in the financial report to avoid a modified audit opinion.</p>
Medium	<p>The issue represents:</p> <ul style="list-style-type: none"> <li>• a control weakness which could have or is having a <b>moderate</b> adverse effect on the ability to achieve process objectives and comply with relevant legislation; or</li> <li>• a misstatement in the financial report that is not material and has occurred.</li> </ul>	<p>Requires management intervention with a detailed action plan implemented within three to six months.</p>
Low	<p>The issue represents:</p> <ul style="list-style-type: none"> <li>• a <b>minor</b> control weakness with minimal but reportable impact on the ability to achieve process objectives and comply with relevant legislation, or</li> <li>• a misstatement in the financial report that is likely to occur but is not expected to be material, or</li> <li>• an opportunity to improve an existing process or internal control.</li> </ul>	<p>Requires management intervention with a detailed action plan implemented within six to 12 months.</p>



## Audit Committee - 16/11/2017

### 2018 Draft Timetable

#### Introduction

At this time each year the committee outlines items to be included in each of the meetings' agendas, as well as a number of standing items included in every agenda. It is proposed that the following items be addressed:

#### 8 February 2018 Meeting

Items for agenda	Reference
Annual report to Council summarising activities of the committee during the previous year	Charter 5.4 (e)
Assess format of agenda	2008 survey
Committee members to approve format for annual self-assessment of performance	Charter 5.8
Present Performance Reporting Framework results for July to December	Local Government Performance Reporting Framework
Risk Management Report	Charter 5.5(vii)

#### 10 May 2018 Meeting

Items for agenda	Reference
Review the scope of the internal audit plan and program and the effectiveness of the function, and set Audit Program for the financial year	Charter 5.5(i)
Appointment of Committee Member	Charter 5.2(d)
Appointment of Chair and Recommendation to Council	Charter 5.2 (g)
Review Audit Committee Charter and achievement of Charter	Charter 5.4(b)
Discuss Budget	Charter 5.3(b)
Consider results of committee self-assessment of performance including results of survey	Charter 5.8
Review of outstanding audit recommendations	Charter 5.5(iv)



## July/August 2018

Items for agenda	Reference
Meeting held under Clause 5.3(e) of the Charter – with internal and external auditors and without officers present	Charter 5.3(e)
Meeting to discuss Financial Statements, with External Auditor present	Charter 5.5(ix) and 5.5(xiii)
Present Performance Reporting Framework results for July to June	Local Government Performance Reporting Framework
Risk Management Report	Charter 5.5(vii)

## 8 November 2018

Items for agenda	Reference
Prepare calendar of meetings for the following year	Charter 5.3(b)
Meeting to discuss Corporate Plan	Charter 5.3(b)
Management Letter – End of Financial Year	Standing item
Review of outstanding audit recommendations	Charter 5.5(iv)

## Standing items for every meeting

Every meeting	Reference
Fraud report	Charter 5.5(xv)
Finance report	Lead up to Charter 5.5(ix)
Review of major lawsuits facing Council	Charter 5.5(xvii)
Professional development opportunities (not listed on the agenda but can be raised by committee members if opportunities are apparent)	2008 Survey
Items raised by Council that may impact the Audit Committee	Chair
Staff presentation	

### Reference Material for Calendar

#### Advertising for Committee Members

Member Name	End of Term
Rod Poxon	30 April 2018
Ken Belfrage	30 April 2019
Rodney Baker	30 April 2020
Alan Darbyshire	30 April 2021

#### Staff Presentations - Historical

In the past three years the committee has heard from:

Presentation Date	Position
November 2017	Director Community Wellbeing: changes in aged care
August 2017	Director Community Wellbeing: deferred
May 2017	Manager Development and Compliance: the role and current projects
February 2017	Director Operations: the role and current projects
November 2016	Acting Manager Executive and Commercial Services: the role and current projects
August 2016	Manager Technical Services: the role and current projects
May 2016	None
February 2016	Manager Information: the role and responsibilities
November 2015	Manager Community Support: role and responsibilities
August 2015	Director Corporate Services: Essential Services Commission
May 2015	None
February 2015	Director Community Wellbeing: community services activities
November 2014	Manager Environmental Health: the role and current projects
August 2014	Manager Information: the role and responsibilities
May 2014	None
February 2014	Manager Works: the role and current projects



## Audit Committee – 17/11/17

### Risk Management Report

#### Introduction

This Risk Management Report provides the Audit Committee with a summary of the OH&S Meeting and the Risk Management Meeting as well as the Risk Register Report and other risk items of interest.

#### OH&S Committee Meeting

The last OH&S Committee Meeting was held on 12 October 2017.

Items on the agenda included:

- review of incident reports since the last meeting:
  - 48 incidents were reported for the quarter
  - 4 personal injuries to staff –3 incidents resulted in WorkCover claims.
- General Business, the following were discussed:
  - outdoor employees can now fill in an incident form directly onto their tablets as in incident occurs they are also able to attached relevant photos
  - new changes to the OH&S regulations were distributed to representatives.
  - Representatives were advised that many of the issues they bring to the OH&S meeting should be actioned at their toolbox meetings as they are not relevant to the OH&S meetings.
  - Traffic management plans at Boort and Serpentine Depots were discussed
  - Hepatitis B immunisations for staff who require them

#### Outstanding Actions

Summary of status of outstanding actions

Meeting Reference	Item	Officer	Status and details
5 10/16	Patrol trucks to be fitted with flood lights	Team Leaders	<b>Work in Progress</b> – when trucks are in for service they will have the lights attached. 2 patrol trucks have had the lights fitted.
2 12/16	Training in first responder	Carol Canfield	<b>Work in Progress</b> – The new Learning and Development Officer is sourcing a trainer

### Risk Management Committee Meeting

The last Risk Management Committee meeting was held on 25 October 2017.

The Committee discussed the Risk Register, reported incidents, the status of insurance claims, policies and procedures relevant to the committee, OH&S and identifies any emerging risks.

Items on the agenda included:

- reported incidents:
  - 31 incidents were reported for the period 26 July 2017 to 18 October 2017
- insurance claims update:
  - 3 vehicle accidents resulting in claims

Summary of status of outstanding actions from the Risk Management Committee

Meeting Reference	Item	Officer	Status and details
9.21 9/12	Contracts – Procedure to manage a minor contracts	Manager Technical Services	<b>Work in Progress</b> – minor contract process will be captured within the contract management manual - under development, draft due towards end of year
3 07/15	Safety of staff in the field – investigate the use of personal camera's to monitor aggressive behaviour	Glenn Harvey – Manager Development and Compliance and Paula Yorston – Manager Community Wellbeing	<b>Work in Progress</b> – Council is trialling a device.
1 05/16	Investigate the purchase of a Generator	Manager Information	<b>Work in Progress</b> – quotes for different options being obtained

### Risk Register Report

At the time of the August Audit Committee Meeting 124 risks had been identified and input into Council's Organisational Risk Register. Of those risks ten were assessed as HIGH.

One new risk has been added since the May 2017 meeting.

The 124 risks identified to date have resulted in 273 CAR's (Corrective Action Requests), 195 of these have been actioned and closed. Of the remaining 78, 41 are overdue or 52%. Twenty of the overdue CAR's relate to the Child Safety Standards which are currently being developed.

The CAR's for risks identified by the Internal Auditors will now be actions in the new Audit module.

The table below shows the change in status of the Risk Register since February 2017:

Risk Level	February 2017	May 2017	August 2017	November 2017
Very High	0	0	0	0
High	8	9	10	9
Medium	63	70	70	71
Low	43	44	44	44
<b>Total Risks Identified</b>	<b>114</b>	<b>123</b>	<b>124</b>	<b>124</b>

There are currently nine risks that have been identified as HIGH or VERY HIGH risks. They are:

Risk No	No of CAR's	Register	Risk	Risk Level
57	1	Strategic Risk Register	Council's Ageing Workforce	High
68	2	Operations	Not having a procedure document detailing the tendering and contracting management processes, in particular on how to comply with Council's Procurement Policy	High
93	1	Operations/Infrastructure Program Development	Council does not have a formal process/requirement that inspections of contractor works are carried out prior to payment of the invoice	High
118	1	Corporate Services/Organisational Development	Non-compliance with Child Safe Standard 1 and 3. 1. Strategies to embed an organisational culture of child safety. 3. A Code of Conduct that establishes clear expectations.	High
119	4	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard 2 - A Child Safe Policy or a Statement of Commitment to Child Safety	High
120	6	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 4 - Screening supervision, training and other human resource practices that reduce the risk of child abuse by new and existing personnel	High
121	5	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 5 (Processes for responding to and reporting suspected child abuse)	High
122	1	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 6 - Strategies to identify and reduce or remove risks of child abuse	High
123	3	Corporate Services/Organisational Development	Non-Compliance with Child Safe Standard No. 7 - Strategies to promote the participation and empowerment of children and young people	High

**RISK 57 - Council's Ageing Workforce**

**IMPACT:** Could lead to a reduction in long term knowledge and experience due to retirement and resignations.

Three CAR's have been identified to address this risk, one remains outstanding, it is:

<b>CAR 2</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Development of a Workforce Strategy	Manager Organisational Development	Work in Progress	01/12//2016
<b>Comments:</b> Council is part of a working group of 6 regional councils working with LGPro on a project to develop a workforce planning model for LG in Victoria that is scalable for large and small, rural and metro councils.			

**RISK 68:– Council does not have procedure documents detailing the tendering and contracting management processes, in particular on how to comply with Council's Procurement Policy**

**IMPACT:** There is an increased risk that tendering and contract management activities within Council are not being undertaken in a structured and consistent manner

Three CAR's have been identified to address this risk, two remain outstanding. They are:

<b>CAR 1</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Explore the purchase of a formal proprietary contract management software package to compliment the contract management framework which will be developed.	Director Operations	Work in Progress	01/11/2015
<b>Comments:</b> eCMS options report complete and provided to Manager Technical Service and Director Operations. Demos undertaken with working group. Scoping document and business case to be developed.			
<b>CAR 3</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Development of a Contract Management Framework	Director Operations	Work in Progress	01/11/2016
<b>Comments:</b> The development of new checklists, forms, and workflows has already commenced, and existing templates are being reviewed, as project/contract management process gaps are identified. These documents will form an integral part of the subsequent contract management manual (CMM), to be delivered in draft format.			

**RISK 93:– Council does not have a formal process/requirement that inspections of contractor works are carried out prior to payment of the invoice**

**IMPACT:** Council is exposed to the financial and probity risk of unwarranted payments

One CAR has been identified to address this risk. It is:

<b>CAR 1</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Strengthen the procurement procedures in regards to contracts	Manager Technical Services	Not started	01/08/2016
<b>Comments:</b> The procurement procedure is to be reviewed to include criteria for work to be inspected prior to invoices being paid.			

**RISK 118:– Non-compliance with Child Safe Standard 1 and 3. 1. Strategies to embed an organisational culture of child safety. 3. A Code of Conduct that establishes clear expectations.**

**IMPACT: Children could be exposed to unsafe behaviour**

One CAR's has been identified to address this risk, it is:

CAR 1	Officer	Status	Due Date
Modify the Council Code of Conduct and the Staff Code of Conduct to reflect Child Safe Standards in an holistic approach.	Service Delivery Review Coordinator	Work in Progress	01/07/2017
<b>Comments:</b> Codes are currently being reviewed and are progressing towards adoption			

**RISK 119:– Non-Compliance with Child Safe Standard 2 - A Child Safe Policy or a Statement of Commitment to Child Safety**

**IMPACT: Children could be exposed to unsafe behaviour.**

Four CAR's has been identified to address this risk, all remain outstanding. They are:

CAR 1	Officer	Status	Due Date
Develop a framework for Child Safe Standards	Service Delivery Review Coordinator	Work in Progress	01/07/2017
<b>Comments:</b> A draft Framework has been developed and is to be reviewed and adopted..			
CAR 2	Officer	Status	Due Date
Develop a Child Safe Standard Policy and Procedure	Service Delivery Review Coordinator	Work in Progress	01/07/2017
<b>Comments:</b> A draft Policy and Procedure has been developed and is to be reviewed and adopted.			
CAR 3	Officer	Status	Due Date
Engaging children and young people and seek ideas as to how the organisation promotes child safety	Director Community Wellbeing	Not Started	01/07/2017
<b>Comments:</b>			
CAR 4	Officer	Status	Due Date
Update Community Engagement Policy to include engaging with children and young people	Service Delivery Review Coordinator	Work in Progress	01/07/2017
<b>Comments:</b> Community Engagement Policy is currently being reviewed and is progressing towards adoption.			

**RISK 120:– Non-Compliance with Child Safe Standard No. 4 - Screening supervision, training and other human resource practices that reduce the risk of child abuse by new and existing personnel**

**IMPACT: Children could be exposed to unsafe behaviour**

Seven CAR's has been identified to address this risk, six remain outstanding, they are:

<b>CAR 2</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Develop a statement around child safety contractors and make aware of the child safety standard documentation	Manager Finance	Not Started	01/07/17
<b>Comments:</b>			
<b>CAR 3</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Modify the Code of Conduct to encompass volunteers and contractors	Service Delivery Review Coordinator	Work in Progress	01/07/17
<b>Comments:</b> Code is currently being reviewed and are progressing towards adoption			
<b>CAR 4</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Determine which Councillors, staff, volunteers and contractor require a Working with Children Check	Service Delivery Review Coordinator	Work in Progress	01/07/17
<b>Comments:</b> Draft policy is due to go to MEG in November 2017.			
<b>CAR 5</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Develop recruitment procedures including interview processes, referee checks, working with children checks and other screening requirements	Manager Organisational Development	Not Started	01/07/17
<b>Comments:</b>			
<b>CAR 6</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Develop a strategy to ensure staff are aware and have the required skills regarding the risks to children and young people, the different types of harm and relevant legislative requirements	Manager Organisational Development	Not Started	01/07/17
<b>Comments:</b>			
<b>CAR 7</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Review staff, volunteers and contractors performance management	Manager Organisational Development	Not Started	01/07/17
<b>Comments:</b>			



**RISK 121:– Non-Compliance with Child Safe Standard No. 5 (Processes for responding to and reporting suspected child abuse)**

**IMPACT: Children could be exposed to unsafe behaviour**

Five CAR's has been identified to address this risk. They are:

<b>CAR 1</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Implement a whole of Council approach for reporting and acting on disclosures of concerns in respect to child safety	Service Delivery Review Coordinator	Not Started	01/07/17
<b>Comments:</b>			
<b>CAR 2</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Train all Councillors, staff, volunteers and contractors on responding and reporting suspected child abuse.	Manager Organisational Development	Not Started	01/07/17
<b>Comments:</b>			
<b>CAR 3</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Develop policies and procedures concerning record keeping requirements, confidentiality and privacy	Manager Information	Not Started	01/07/17
<b>Comments:</b>			
<b>CAR 4</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Develop a Complaints process that is accessible for children and families	Manager Finance	Work in progress	01/07/17
<b>Comments:</b> draft document considered by councillors in November 2017			
<b>CAR 5</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Develop child friendly processes to ensure children and young people know who to talk to if they feel unsafe or have a concern	Service Delivery Review Coordinator	Not Started	01/07/17
<b>Comments:</b>			

**RISK 122:– Non-Compliance with Child Safe Standard No. 6 – Strategies to identify and reduce or remove risks of child abuse.**

**IMPACT: Children could be exposed to unsafe behaviour**

One CAR's has been identified to address this risk. It is:

<b>CAR 1</b>	<b>Officer</b>	<b>Status</b>	<b>Due Date</b>
Develop a child safe framework with consideration to the culture and safety of aboriginal children, children with disability and children from CALD and inform Councillors, staff, volunteer, contractors and community about the importance of the Child Safe Standards.	Service Delivery Review Coordinator	Work in Progress	01/07/17
<b>Comments:</b> A draft Framework has been developed and is to be reviewed and adopted			

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**RISK 123:– Non-Compliance with Child Safe Standard No. 7 - Strategies to promote the participation and empowerment of children and young people**

**IMPACT: Children could be exposed to unsafe behaviour**

Three CAR's has been identified to address this risk. They are:

CAR 1	Officer	Status	Due Date
Promote the participation and empowerment of children in decision making process	Director Community Wellbeing	Not Started	01/07/17
<b>Comments:</b>			
CAR 2	Officer	Status	Due Date
Inform children of their rights and empower them to bring up concerns	Director Community Wellbeing	Not Started	01/07/17
<b>Comments:</b>			
CAR 3	Officer	Status	Due Date
Provide information in a child friendly and accessible way	Director Community Wellbeing	Not Started	01/07/17
<b>Comments:</b>			

### Workforce Planning Project

Loddon Shire has been selected to be part of the LGPro's initiative to build workforce planning capability in Local Government in Victoria. The project commenced in October this year and will be completed by mid-2018. Councils involved are Wangaratta, Indigo, Murrindindi, Alpine, Mansfield and Loddon. Whitehorse and Glen Eira are also attending as observers.

This project will develop a toolkit to be rolled out to Victorian councils to use to help develop their workforce plan/strategy. The toolkit will be designed to be user-friendly and transferrable across councils of all sizes.

A strategic workforce plan will enable us to retain and attract the workforce we need to deliver our services now and in the future. In this project we will be identifying the workforce implications of the Council plan such as current and future roles and functions, capabilities, impact of technology, knowledge retention, diversity and inclusion and we will be identifying ways of managing our workforce risk, as a Council and as part of the region and the Victorian Local Government sector.

Workforce Planning Global has been engaged to deliver this project. Julie Sloan, Chief Executive of Workforce Planning Global is the lead writer of the Australian and ISO Standards on this topic.

The first workshop for the project was held at Wangaratta on Tuesday 24 October, 2017, Julie gave a short overview of workforce planning and the project deliverables. She also spoke on the more complex aspects including segmenting critical work groups, the importance of reliable HR metrics, evidence based risk assessment and risk mitigation and management strategies.

Workforce Planning presentation can be shared with audit committee if available at the time.

**10 COMPLIANCE REPORTS****10.1 SECTION 86 COMMITTEE OF MANAGEMENT MEMBERSHIP DETAILS EAST  
LODDON COMMUNITY CENTRE**

**File Number:** 02/01/019  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That Council appoints the persons named in this report as members of the East Loddon Community Centre Section 86 committee of management, effective immediately.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council approved the current list of committee members for East Loddon Community Centre Committee of Management on 28 February 2017.

**BACKGROUND**

Current Section 86 committee instruments of delegations include Clause 3.6 which outlines the requirement for nomination and appointment of committee members, which is as follows:

**Members and Office Bearers of the Committee**

At the Annual General Meeting each year nominations shall be called for proposed members of the committee. The committee must then elect from its proposed members the following office bearers:

- President, who shall be Chairperson of the Committee
- Secretary
- Treasurer.

The full list of proposed members must be forwarded to Council for formal appointment at an Ordinary Meeting of Council, in accordance with section 86(2). Until this formal appointment by Council occurs, the previous committee members will continue to hold office.

Clause 3.3 Membership of the committee outlines Council's preferred composition of the committee specific to each delegation, and states that Council seeks to provide broad representation to the committees.

For community based committees, at least 6 community representatives are preferred.

For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

**ISSUES/DISCUSSION**

East Loddon Community Centre is a community based committee with preferred representation requiring at least 6 community representatives. The following is a list of nominated representatives for the committee which meets the minimum requirement:

Name	Position
Leanne Welsh	President
Mark Phelan	Vic President
Nick Marlow	Secretary/ Treasurer
Alison Barry	Committee Member
Alison McKenzie	Committee Member
June Dorman	Committee Member
Lachlan Barry	Committee Member
Linden Barry	Committee Member
Margaret Gledhill	Committee Member
Margaret Smith	Committee Member
Pam Plant	Committee Member
Rod Biggs	Committee Member

The Council representative for this committee is Cr Cheryl McKinnon.

**COST/BENEFITS**

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

**RISK ANALYSIS**

Section 86 Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Under Section 86(2) of the Act, "Council may appoint members to a special committee and may at any time remove a member from a special committee".

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

**CONSULTATION AND ENGAGEMENT**

Nil

**10.2 SECTION 86 COMMITTEE OF MANAGEMENT MEMBERSHIP DETAILS-  
WEDDERBURN TOURISM**

**File Number:** 02/01/040  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That Council appoints the persons named in this report as members of the Wedderburn Tourism Section 86 Committee of Management, effective immediately.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report. Some staff members do have an involvement in the subject matter of the report by virtue of their volunteer commitment to the Committee of Management or the volunteer commitment by their family members.

**PREVIOUS COUNCIL DISCUSSION**

Council approved the current list of committee members for Wedderburn Tourism Committee of Management on 22 November 2016.

**BACKGROUND**

Current Section 86 committee instruments of delegations include Clause 3.6 which outlines the requirement for nomination and appointment of committee members, which is as follows:

**Members and Office Bearers of the Committee**

At the Annual General Meeting each year nominations shall be called for proposed members of the committee. The committee must then elect from its proposed members the following office bearers:

- President, who shall be Chairperson of the Committee
- Secretary
- Treasurer.

The full list of proposed members must be forwarded to Council for formal appointment at an Ordinary Meeting of Council, in accordance with section 86(2). Until this formal appointment by Council occurs, the previous committee members will continue to hold office.

Clause 3.3 Membership of the committee outlines Council's preferred composition of the committee specific to each delegation, and states that Council seeks to provide broad representation to the committees.

For community based committees, at least 6 community representatives are preferred.

For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

**ISSUES/DISCUSSION**

Wedderburn Tourism Committee is a community based committee with preferred representation requiring at least 6 community representatives. The following is a list of nominated representatives for the committee which meets the minimum requirement:

Name	Position
Thomas Jackson	President
Tammy Martin	Vice President
Robyn Vella	Secretary
Karen Fazzani	Treasurer
Brett Jackson	Committee Member
Charles Osterfield	Committee Member
Darren Baugh	Committee Member
Jane Rowley	Committee Member
Kevin Brown	Committee Member
Margaret Collins	Committee Member
Murray Smyth	Committee Member
Pam Collins	Committee Member
Robbie Collins	Committee Member
Travis Jackson	Committee Member
Warren Smith	Committee Member

The Council representative for this committee is Cr Gavan Holt.

### **COST/BENEFITS**

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

### **RISK ANALYSIS**

Section 86 Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Under Section 86(2) of the Act, "Council may appoint members to a special committee and may at any time remove a member from a special committee".

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

### **CONSULTATION AND ENGAGEMENT**

Nil

**10.3 SECTION 86 COMMITTEE OF MANAGEMENT MEMBERSHIP DETAIL-INGLEWOOD LIONS COMMUNITY ELDERLY PERSONS UNITS**

**File Number:** 02/01/043  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That Council appoints the persons named in this report as members of the Inglewood Lions Community Elderly Persons Units Section 86 committee of management, effective immediately.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council approved the current list of committee members for Inglewood Lions Community Elderly Persons Units Committee of Management on 28 February 2017.

**BACKGROUND**

Current Section 86 committee instruments of delegations include Clause 3.6 which outlines the requirement for nomination and appointment of committee members, which is as follows:

**Members and Office Bearers of the Committee**

At the Annual General Meeting each year nominations shall be called for proposed members of the committee. The committee must then elect from its proposed members the following office bearers:

- President, who shall be Chairperson of the Committee
- Secretary
- Treasurer.

The full list of proposed members must be forwarded to Council for formal appointment at an Ordinary Meeting of Council, in accordance with section 86(2). Until this formal appointment by Council occurs, the previous committee members will continue to hold office.

Clause 3.3 Membership of the committee outlines Council's preferred composition of the committee specific to each delegation, and states that Council seeks to provide broad representation to the committees.

For community based committees, at least 6 community representatives are preferred.

For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

**ISSUES/DISCUSSION**

Inglewood Lions Community Elderly Persons Units is an organisation based committee with representatives from each of the stakeholder groups. The following is a list of nominated representatives for the committee which meets the minimum requirement:

Name	Organisation
Allan Saunders	Community representative
Tracey Wilson	Inglewood and Districts Health Service
Robert Condliffe	Inglewood Lions Club
Paula Yorston	Loddon Shire Council Community Wellbeing Department

The Council representative for this committee is Cr Colleen Condliffe.

**COST/BENEFITS**

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

**RISK ANALYSIS**

Section 86 Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Under Section 86(2) of the Act, "Council may appoint members to a special committee and may at any time remove a member from a special committee".

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

**CONSULTATION AND ENGAGEMENT**

Nil



**10.4 SECTION 86 COMMITTEE OF MANAGEMENT MEMBERSHIP DETAIL-BOORT PARK**

**File Number:** 02/01/046  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That Council appoints the persons named in this report as members of the Boort Park Section 86 Committee of Management, effective immediately.

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

Council approved the current list of committee members for Boort Park Committee of Management on 22 November 2016.

**BACKGROUND**

Current Section 86 committee instruments of delegations include Clause 3.6 which outlines the requirement for nomination and appointment of committee members, which is as follows:

**Members and Office Bearers of the Committee**

At the Annual General Meeting each year nominations shall be called for proposed members of the committee. The committee must then elect from its proposed members the following office bearers:

- President, who shall be Chairperson of the Committee
- Secretary
- Treasurer.

The full list of proposed members must be forwarded to Council for formal appointment at an Ordinary Meeting of Council, in accordance with section 86(2). Until this formal appointment by Council occurs, the previous committee members will continue to hold office.

Clause 3.3 Membership of the committee outlines Council's preferred composition of the committee specific to each delegation, and states that Council seeks to provide broad representation to the committees.

For community based committees, at least 6 community representatives are preferred.

For organisation based committees, each delegation has a list of organisations that are required to provide representatives for the committee.

**ISSUES/DISCUSSION**

Boort Park is an organisation based committee with representatives from each of the stakeholder groups. The following is a list of nominated representatives for the committee which meets the minimum requirement:

Name	Organisation
Neil Beattie(Chairperson)	
Vacant (Secretary)	
Ken Loader	Boort Agricultural and Pastoral Society
Marj Potter	Boort Agricultural and Pastoral Society
Ian Mercer (Treasurer)	Boort Cricket Club
Jane Hosking	Boort Cricket Club
John Byrne	Boort District Harness Racing Club
Ray Stomann	Boort District Harness Racing Club
Gordon Parker	Boort Football Club
Tim Lanyon	Boort Football Club
Jacquie Verley (Vice President)	Boort Hockey Club
David Meadows	Boort Hockey Club
Kristen Gooding	Boort Netball Club
Judy Parker	Boort Netball Club
Tom Bleicher	Boort P12 College
Lee Anne Sherwell	Boort P12 College
John Nelson	Community member
Barry Kennedy	Community member

The Council representative for this committee is Cr Neil Beattie.

**COST/BENEFITS**

The benefit of this report is that Council has an up to date and accurate record of current committee members to ensure that contact can be made, particularly where Council is requesting committees to comply with reporting requirements under the legislation.

**RISK ANALYSIS**

Section 86 Committees act for and on behalf of Council which creates a risk for Council should they ever act outside their delegated authority.

Under Section 86(2) of the Act, "Council may appoint members to a special committee and may at any time remove a member from a special committee".

Council's appointment of committee members, not only satisfies the legislation, but also provides Council with the opportunity to sight the list of committee members before formally appointing them as they are the people that will be operating the committees, and in effect, acting for and on behalf of Council over the course of the year.

**CONSULTATION AND ENGAGEMENT**

Nil

**10.5 BOORT DEVELOPMENT SECTION 86 COMMITTEE OF MANAGEMENT REQUEST FOR CHANGE OF NAME TO BOORT TOURISM DEVELOPMENT**

**File Number:** 02/01/008  
**Author:** Michelle Hargreaves, Administration Officer  
**Authoriser:** Sharon Morrison, Director Corporate Services  
**Attachments:** Nil

**RECOMMENDATION**

That Council approves the change of name of Boort Development Section 86 Committee of Management to Boort Tourism Development Section 86 Committee of Management

**CONFLICT OF INTEREST**

There is no conflict of interest for any Council staff member involved in the preparation of this report, or involved in the subject matter of the report.

**PREVIOUS COUNCIL DISCUSSION**

At Council's Ordinary Meeting on 24 October 2017 Council endorsed the revoking of the Delegation for Boort Business and Tourism Council Committee of Management to enable a merger with Boort Development Committee of Management.

**BACKGROUND**

The challenges of attracting and retaining volunteers was a key driver in the request to merge the two committees of management.

**ISSUES/DISCUSSION**

The committee believes that the name change will more accurately reflect its activities. Minutes for the committee of management have been received and it was discussed and agreed at the meeting held on 13 November 2017 that Boort Development change its name to Boort Tourism Development Committee of Management.

**COST/BENEFITS**

There are no direct costs associated with this resolution. There are minor administrative costs in changing the name.

**RISK ANALYSIS**

There are no apparent risks associated with this resolution.

**CONSULTATION AND ENGAGEMENT**

There has been regular communication between Council, Boort Development Committee of Management and Boort Business and Tourism Council Committee of Management.

**11 GENERAL BUSINESS**

**12 CONFIDENTIAL ITEMS****RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 89(2) of the Local Government Act 1989:

**12.1 Review of confidential actions**

This matter is considered to be confidential under Section 89(2) - (h) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with Any other matter which the Council or special committee considers would prejudice the Council or any person.

**12.2 Chief Executive Officer Annual Leave**

This matter is considered to be confidential under Section 89(2) - (a) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters.

Closing of Meeting to the Public

**RECOMMENDATION**

That the meeting be closed to the public.

**NEXT MEETING**

The next Ordinary Meeting of Council will be held on 23 January 2018 at Serpentine.

There being no further business the meeting was closed at [enter time](#).

Confirmed this.....day of..... 2016

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