



Audit & Risk Committee Meeting

7 December 2022

Minutes

To: Audit & Risk Committee Meeting Members and Councillors.

Here within are the Meeting Minutes of the Audit & Risk Committee Meeting, held on the above-mentioned date in the Shire of Toodyay Council Chambers, 15 Fiennes Street, Toodyay WA 6566.

Suzie Haslehurst
CHIEF EXECUTIVE OFFICER



Preface

When the Chief Executive Officer approves these Minutes for distribution they are in essence "Unconfirmed" until the next Committee Meeting, where the Minutes will be confirmed subject to any amendments made by the Committee.

The "Confirmed" Minutes are then signed off by the Presiding Person.

Attachments that formed part of the Agenda, in addition to those tabled at the Meeting are incorporated into separate attachments to these Minutes.

Unconfirmed Minutes

These minutes were approved for distribution on 9 December 2022.

Suzie Haslehurst

CHIEF EXECUTIVE OFFICER

Confirmed Minutes

These minutes were confirmed at a meeting held on 1 March 2023.

Signed:

Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above.

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1 DECLARATION OF OPENING

Cr B Ruthven, Chairperson, declared the meeting open at 2.06pm.

1.1 ANNOUNCEMENT OF VISITORS

The Chairperson welcomed Craig Hollins from PPS to the meeting and noted the presence of Cr Duri and Cr Pearce.

The Chairperson advised that Mrs Heather Appleby has resigned from the Committee for personal reasons.

1.2 RECORD OF ATTENDANCE AND APOLOGIESMembers

Cr R Madacsi	Shire President
Cr S Pearce	Councillor
Cr B Ruthven	Deputy Shire President (Chair)
Cr D Wrench	Councillor (<i>via zoom from 2.15pm</i>).
Mr S Hefferon	Community Member

Staff

Mrs M Rebane	Executive Assistant
Ms T Bateman	Manager Corporate and Community Services
Mrs N Mwale	Finance Coordinator

Visitors

Mr C Hollins	Business Manager from PPS.
Cr C Duri	Councillor
Cr P Hart	Councillor

Apologies

Mrs H McDonald-Appleby	Community Member
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1.3 DISCLOSURE OF INTEREST

The Chairperson advised that no disclosures of interest in the form of a written notice had been received prior to the commencement of the meeting.

2 MINUTES AND ADDITIONAL INFORMATION**2.1 CONFIRMATION OF MINUTES****2.1.1. Minutes of Meeting held on 7 September 2022****OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC011/12/22**

MOVED Cr P Hart

SECONDED Cr R Madacsi

That the Unconfirmed Minutes of the Audit & Risk Committee Meeting held on 7 September 2022 be confirmed.

MOTION CARRIED 4/0

The Chairperson invited the Mr Craig Hollins, to speak in regard to item 4.1.

3 OFFICER REPORTS

4.1 Risk Management Action Plan - Cyber Security

Date of Report:	28 November 2022
Applicant or Proponent:	Shire of Toodyay
File Reference:	COC2
Author:	T Bateman – Manager Corporate and Community Services
Responsible Officer:	T Bateman – Manager Corporate and Community Services
Previously Before Council:	April 2021 OCM – first adoption of plan
Author’s Disclosure of Interest:	Nil
Council’s Role in the matter:	Executive
Attachments:	<ol style="list-style-type: none"> 1. CONFIDENTIAL ATTACHMENT - LGIS Shire of Toodyay Cyber Review 2022 (confidential) Section 5.23(2) <i>(f)(ii) a matter that if disclosed, could be reasonably expected to endanger the security of the local government’s property (under separate cover)</i> 2. CONFIDENTIAL ATTACHMENT - Risk Management Action Plan - Cyber Security (confidential) Section 5.23(2) <i>(f)(ii) a matter that if disclosed, could be reasonably expected to endanger the security of the local government’s property (under separate cover)</i>

PURPOSE OF THE REPORT

To provide an update to the Audit and Risk Committee regarding the Shire’s current controls around cyber security and make recommendations to Council for its consideration.

BACKGROUND

Local governments hold information, including confidential data, about people and the community that should be protected from both internal and external threats. Effective cyber security controls must be in place to ensure risks are managed and confidentiality and integrity of data is maintained.

Regular surveys conducted by Local Government Insurance Services (LGIS) identify cyber risk as one of the highest risks for Councils, second only to financial sustainability. As a result, cyber risk was prioritised and included in the 10-year Assurance Cycles Plan, adopted by Council in April 2021.

This plan proposed a review of the Shire’s Information Management and Technology processes in FY23/24. To further support this initiative, the Office of the Auditor-General

released the results of the *Cyber Security in Local Government* audit in November 2021, which included 17 better-practice guiding principles to assist local government entities in managing cyber risk. Additionally, JLT Public Sector reviewed the Shire's cyber security and provided recommendations for improvement.

Addressing cyber security and risk management in line with the tools available assists the CEO to regularly review systems and procedures in relation to risk management; internal control and legislative compliance as required by Regulation 17 of the *Local Government (Audit) Regulations 1996*.

COMMENTS AND DETAILS

Each year, as part of the insurance renewal process, officers complete a series of questionnaires which help to determine required levels of cover and identify new areas of risk. Due to the increased number of cyber-attacks and fraudulent web activity, LGIS prepared this year's Cyber Questionnaire with the goal of identifying the Shire's cyber vulnerabilities and strengths and provided a report which is attached as **Confidential Attachment 1**.

The report refers to the 'Essential Eight', a number of essential mitigation strategies developed by the Australian Cyber Security Centre (ACSC), that organisations are recommended to implement to help protect against cyber threats. JLT Public Sector expand on the Essential Eight to provide 12 Key Controls to assist local governments in setting priorities in relation to cyber risk management.

Officers have prepared an action plan (**Confidential Attachment 2**) for the Audit and Risk Committee's review and recommendation to Council. The results of the questionnaire and the action plan will support cyber-risk management initiatives and future budget requests, if and when required.

It is imperative that to protect data held by the Shire of Toodyay and the individuals/organisations to which it refers, the results of the review and associated action plan are kept confidential.

IMPLICATIONS TO CONSIDER

Consultative:

Australian Cyber Security Centre Annual Threat Report 2022: [ACSC-Annual-Cyber-Threat-Report-2022.pdf](#)

Cyber Security in Local Government [Report-9_Cyber-Security-in-Local-Government.pdf \(audit.wa.gov.au\)](#)

LGIS

Professional PC Services

Strategic:

Toodyay Strategic Community Plan 2028

Governance: the way the Shire leads and operates

- O 1: Provide accountable and transparent leadership for the community.
- O 2: Consistently improve our governance practices.
- O 3: Ensure rigorous organisational systems.

Policy related:

Risk Management

Internal Control

Financial:

Although the action plan has not been accurately quantified, funds will be required to implement certain elements, especially those rated as a high priority. Any budget requests and/or amendments will be presented to Council for their consideration during the mid-year budget review or annual budget processes.

Legal and Statutory:

Regulation 16 (a)(ii) of the *Local Government (Audit) Regulations 1996* states that the Audit Committee has functions to guide and assist the local government in carrying out its functions relating to other audits and other matters related to financial management.

Risk related:

In recent months, cyber-attacks have increased significantly. Consequently, cyber risk is considered both an extreme financial and reputational risk. Reviewing and implementing recommendations provided by the Australian Cyber Security Centre, the Shire's insurers and the Auditor-General helps to mitigate the risk.

The Shire's insurers have indicated that whilst the results of the LGIS Shire of Toodyay Cyber Review 2022 do not affect insurance levels currently in place, there may be implications for coverage in future years. Responding to the recommendations within the report may result in greater insurance protection and/or lower premiums in future years.

Workforce related:

Whilst the Shire of Toodyay currently outsources its IT management, significant officer time is required to assist the monitoring and implementation of any IT security and safety measures.

VOTING REQUIREMENTS

Simple Majority

Manager Corporate and Community Services provided an overview in regard to this item.

Cr Wrench entered the meeting via zoom at 2.15pm.

Cr Hart moved the Officer's Recommendation.

Clarification was sought.

The motion was put.

OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC012/12/22**MOVED** Cr P Hart

The Audit & Risk Committee recommends to Council the following:

That Council:

1. Notes the LGIS Shire of Toodyay Cyber Review 2022 (Confidential Attachment 1);
2. Adopts the Risk Management Action Plan – Cyber Security Controls (Confidential Attachment 2); and
3. Requests the CEO to provide a progress update to the Audit and Risk Committee no later than 31 May 2023, including any budget requests for inclusion in the draft Annual Budget 2023/2024.

MOTION CARRIED 5/0

3.2 REVIEW OF STATUS REPORT

2.2.1 Review of Status Report

Attachments:	1. Updated Status Report
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The status report was reviewed and updated.

3.3 INWARD/OUTWARD CORRESPONDENCE

Nil.

4 BUSINESS LEFT OVER FROM PREVIOUS MEETING (IF ADJOURNED)

Nil.

4.2 10 year Assurance Cycles Plan (assessed annually)

Date of Report:	28 November 2022
Applicant or Proponent:	Shire of Toodyay
File Reference:	COC2
Author:	M Rebane – Executive Assistant
Responsible Officer:	T Bateman – Manager Corporate and Community Services
Previously Before Council:	April 2021 OCM – first adoption of plan
Author’s Disclosure of Interest:	Nil
Council’s Role in the matter:	Executive
Attachments:	1. CURRENT 10-year Assurance Cycles Plan; 2. REVISED 10-year Assurance Cycles Plan

PURPOSE OF THE REPORT

To review the *10-year Assurance Cycles Plan* (the Plan) and make a recommendation to Council.

BACKGROUND

The Plan was developed by the Audit and Risk Committee to provide a framework and timeline for internal audits which focussed on addressing key risks. The results would assist with the identification of weaknesses in preparation for the Financial Management and Audit Regulation reviews as required on a three-yearly basis. The projects proposed were adopted by Council in April 2021 (**Attachment 1**) and included the following;

Projects Proposed	Timeline
Governance Review	Year 1 - FY21/22
Conflict of Interest, Gifts, Benefits and Hospitality;	Year 2 - FY22/23
Fraud, Corruption, Misconduct;	Year 2 - FY22/23
Records Management;	Year 3 - FY23/24
Information Management and Technology;	Year 3 - FY23/24
Procurement;	Year 5 - FY25/26
Contract Management;	Year 5 - FY25/26
Human Resources;	Year 6 - FY26/27
Business Continuity;	Year 8 - FY28/29
Other area to be determined	Year 9 - FY29/30

COMMENTS AND DETAILS

The Governance Review was received by Council in July 2021 and the following recommendations made in the report have been addressed:

- The Risk Management Tables within the Risk Management Policy were adopted by Council in October 2021.
- A risk-based review of all Council Policies commenced from February 2022 Ordinary Council Meeting and regular workshops are held with Councillors and Committees as part of this review.
- Shire staff participated in a series of values and culture workshops aimed at ensuring every person is aware of and adheres to Shire values.
- The implementation of Infocouncil has improved report writing and staff training has occurred with respect to report writing and agenda preparation.
- Key staff have also undertaken training in contract management, procurement, and records management.
- WALGA contract templates are being utilised by the Shire of Toodyay on an as-needs basis through the service that the Shire subscribes to.
- An Execution of Documents policy was adopted by Council as a means for dealing with corporate documents.

Officers have reviewed the proposed projects of the existing 10-year Assurance Cycles Plan (**Attachment 2**) and propose adjustments based on shifting priorities and emerging risks.

Financial Management Review and Audit Regulation 17 Review

The review of the Shire's financial management systems and procedures is regulated to occur at least once every 3 years and was scheduled to occur in 2021/22. In September 2022 an update was provided to the Audit and Risk Committee acknowledging non-compliance in this area as a result of staff vacancies and the ongoing Datascope transition.

Furthermore, the Shire's auditors indicated that until the system issues were rectified, and the transition was complete, engaging a consultant to undertake the reviews could be time-consuming and costly, and therefore not recommended until further progress was made with Datascape.

It can be noted that the reviews are expected to occur in the final quarter of the 2022/23 year, and an allocation of \$40,000 has been included in the budget.

Information Management and Technology

Whilst the existing Plan proposed an audit of the Shire's IT environment in the 2023/24 year, Officers consider this area an extreme risk considering the recent increased global cyber-attacks and data leaks. Consequently, with the assistance of LGIS and the preparation of a Cyber Security Review tailored specifically for the Shire of Toodyay, work is underway to improve the Shire's cyber-security.

The costs of implementing actions within the cyber-security action plan are currently unknown. Once projects have been prioritised and costed, Officers will report back to Council with budget amendments as required.

Records Management

Currently, the Shire's records are managed within SynergySoft with a plan to migrate all records to a cloud-based solution. This action forms part of the larger Datascape project. Significant work has commenced in reference to the management of data, security, access to records and policies for retention and disposal. Preliminary training has been provided to staff in relation to the transition and moving forward, records training will form part of the organisation's annual training schedule.

Internal audits and spot-testing will be vital stages of the records transition and will provide valuable insight into the preparation of existing procedures. Considering the progress to date, Officers are proposing that this project be allocated to the 2023/24 year to coincide with the transition.

A number of factors have impacted progress on the Assurance Cycles Plan including staff turnover, on-going workload issues associated with the Datascape transition and legislation changes. These factors have been considered during the review of the Plan.

IMPLICATIONS TO CONSIDER

Consultative:

Nil.

Strategic:

Strategic Community Plan, Toodyay 2028

Governance - the way the Shire leads and operates.

Policy related:

Purchasing;

Financial Governance;

Risk Management;

Legislative Compliance;

Internal Control adopted; and

Committee Recommendations;
Audit and Risk Committee Charter.

Financial:

The 2022/23 Annual Budget includes an allocation of \$40,000 to complete the Financial Management Review and Audit Regulation 17 Review.

The cost of implementing cyber-security measures above existing levels, has not been budgeted for 2022/23. In the event funds are required, a report will be presented for Council's consideration regarding any budget amendments.

It is important that funds are set aside to carry out internal audits, not only in the annual budget, but also in the long-term financial plan to achieve the actions of the Assurance Cycles Plan.

Legal and Statutory:

Section 2.7 of the *Local Government Act 1995*.

Regulation 14 of the *Local Government (Audit) Regulations 1996*.

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* requires the CEO to undertake Financial Management Reviews regularly (and not less than once in every three years).

Regulation 17 of the *Local Government (Audit) Regulations 1996* directs the CEO to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, and internal control and legislative compliance at least once every 3 financial years and to report the results of the review to the Audit Committee.

Regulation 16 (a)(ii) of the *Local Government (Audit) Regulations 1996* states that the Audit Committee has functions to guide and assist the local government in carrying out its functions relating to other audits and other matters related to financial management.

Risk related:

The Audit and Risk Committee plays a key role in overseeing the local government's responsibilities in relation to financial reporting, risk management and legislative compliance. The internal audit function is a risk mitigation strategy as it provides comfort and assurance around the risk and control environment in an organisation.

Workforce related:

Significant resources are required to achieve the objectives within the Assurance Cycles Plan. This will include a mix of internal and external resources which will be considered prior to adoption of the budget each year.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC013/12/22

MOVED Cr R Madacsi

The Audit & Risk Committee recommends to Council the following:

That Council adopts the REVISED 10-year Assurance Cycles Plan assessed annually (Attachment 2).

MOTION CARRIED 5/0

4.3 Financial Policy Review: Authorised Signatories; Credit Cards; Financial Hardship; Investment; and Long-Term Financial Planning.

Date of Report:	29 November 2022
Applicant or Proponent:	Shire of Toodyay
File Reference:	PCY2
Author:	M Rebane – Executive Assistant T Bateman – Manager Corporate and Community Services
Responsible Officer:	T Bateman – Manager Corporate and Community Services
Previously Before Council:	N/A
Author's Disclosure of Interest:	Nil
Council's Role in the matter:	Executive
Attachments:	<ol style="list-style-type: none"> 1. CURRENT Authorised Signatories 2. REVISED Authorised Signatories 3. CURRENT Corporate Credit Cards 4. REVISED Corporate Credit Cards 5. CURRENT COVID-19 Financial Hardship 6. REVISED Financial Hardship 7. CURRENT Investment of Surplus Funds 8. REVISED Investment of Surplus Funds 9. CURRENT Long-term Financial Planning 10. REVISED Long-term Financial Planning

PURPOSE OF THE REPORT

To present reviewed financial policies for the Audit and Risk Committee's consideration and recommendation to Council.

BACKGROUND

Council resolved to implement a review of all Shire policies at an Ordinary Council Meeting held in February 2022. Finance and risk-related policies are presented to the Audit and Risk Committee for its input and recommendation to Council.

In November 2021 Council adopted the Corporate Documents policy, an action arising from the Governance Review action plan. At a minimum, policies have been amended to reflect the newly adopted policy format.

COMMENTS AND DETAILS

Attached to this report are five finance policies which have been reviewed and amended to reflect the requirements of the Corporate Documents policy. In most cases, amendments are minimal, reflecting formatting adjustments only. A summary of the amendments made to each policy follows;

(a) Authorised Signatories Policy – Attachment 2

- The revised policy reflects the new format and includes a definitions table.
- Minor changes to content include updated position titles of the three Managers and the Coordinator.
- No additional positions have been added to the policy.

The intention of this policy remains the same, i.e. access to the Shire's accounts is limited to particular roles to safeguard funds. Additionally, all payments and/or transfers from Shire accounts require two signatories to authorise payments jointly. There have been no changes to relevant clauses of the *Local Government Act 1996* or the *Local Government (Financial Management) Regulations 1996* that would necessitate a major change to this policy.

(b) Corporate Credit Cards Policy – Attachment 4

- Changes to content include amendments to position titles and minor typographical amendments.
- The definitions table was inserted and reference to the instrument of delegation was included.
- Credit limits are considered adequate and therefore no changes to credit limits have been proposed nor to the number of credit cards held by the Shire.

As detailed within the reference section of the policy, officers have referred to the OAG's *Controls Over Purchasing Cards* audit report in addition to the Department of Local Government, Sport and Cultural Industries Operational Guideline *Use of Corporate Credit Cards*.

(c) Financial Hardship Policy – Attachment 6

- All references to COVID-19 have been removed from the proposed policy.
- References to the 2021/22 financial year have been removed to allow ongoing application of the policy.
- The definitions table was inserted and reference to the instrument of delegation was included.

Officers are proposing to broaden the application of the existing COVID-19 Financial Hardship policy by renaming it 'Financial Hardship'. This is to recognise genuine cases of financial hardship that may or may not be related to the impacts of the pandemic.

Currently, the *Local Government (COVID-19 Response) Order 2020* (the Order), as amended, outlines provisions only for individuals or businesses experiencing hardship

as a result of COVID-19. The changes proposed for this policy will cater for all cases of genuine hardship.

(d) Investment of Surplus Funds Policy – **Attachment 8**

- Formatting and amendments to wording to improve readability.
- The definitions table was inserted and reference to the instrument of delegation was included.

In addition to the above amendments, Officers are proposing to include a Global Credit Framework to control the maximum limits for each investment with reference to Standard and Poors' ratings. This means that risk exposure is not limited to one institution and/or credit rating.

(e) Long term Financial Planning Policy – **Attachment 10**

- Formatting and minor typographical amendments to improve readability.
- The definitions table was inserted, and reference documents included.

IMPLICATIONS TO CONSIDER

Consultative:

The revised policies were circulated to relevant staff via email. The Audit and Risk Committee is invited to provide feedback on policies prior to recommendation to Council.

As part of the policy review, Officers refer to resources provided by the Department of Local Government, Sport and Cultural Industries and the Office of the Auditor-General, in addition to comparisons with policies of other local governments.

Strategic:

Toodyay Strategic Community Plan 2028

Governance: the way the Shire leads and operates

- 1: Provide accountable and transparent leadership for the community.
- 2: Consistently improve our governance practices.
- 3: Ensure rigorous organisational systems.

Policy related:

Nil.

Financial:

Nil.

Legal and Statutory:

Determining the local government's policies is one of four main roles for Council listed under section 2.7 of the *Local Government Act 1995*.

Local Government (Functions and General) Regulations 1996

11A. Purchasing policies for local governments

Local Government (Financial Management) Regulations 1996

11. Payments, procedures for making etc.

Local Government (COVID-19 Response) Order 2020

Risk related:

There are compliance and reputational risks involved with not adopting the policies presented in this report.

The Office of the Auditor General recommends that local government entities should ensure they maintain the integrity of their financial control environment by:

- periodically reviewing and updating all financial, asset, human resources, governance, information systems and other management policies and procedures and communicating these to staff;
- conducting ongoing reviews and improvement of internal control systems in response to regular risk assessments;
- regularly monitoring compliance with relevant legislation; and
- promptly addressing control weaknesses brought to their attention by OAG audits, and other audit and review mechanisms.

Workforce related:

Officer time is required to review policies prior to presentation to Council and will be required to comply with the ongoing requirements of the policies. This is expected to be managed within existing resources.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC014/12/22

MOVED Cr P Hart

The Audit & Risk Committee recommends to Council the following:

That Council:

1. Adopts the policy Authorised Signatories (Attachment 2); and
2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.

MOTION CARRIED 5/0

OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC015/12/22

MOVED Cr R Madacsi

The Audit & Risk Committee recommends to Council the following:

That Council:

1. Adopts the policy Corporate Credit Cards (Attachment 4); and
2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.

MOTION CARRIED 5/0

Cr Hart moved the Officer's Recommendation as follows:

The Audit & Risk Committee recommends to Council the following:

That Council:

- 1. Adopts the policy Financial Hardship (Attachment 6); and***
- 2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.***

Clarification was sought.

AMENDMENT

MOVED Cr R Madacsi

That a Point 3 be added to read as follows:

- 3. Authorises the CEO to include the following amendments be made in the policy:**
 - (a) Reference Information:**

Add the following under the above header:

 - Code of Conduct**
 - (b) Associated documents:**

Add the following under the above header:

 - Payment arrangement**
 - Employee Code of Conduct – When staff are employed, they sign a Confidentiality Agreement and Code of Conduct.**
 - (c) Clause 7 Communication and Confidentiality:**

Add the following paragraph after the first paragraph:

The Shire must ensure that all Workers sign a confidentiality agreement and abide by the Code of Conduct.

Cr Hart accepted the amendment.

OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC016/12/22

MOVED Cr P Hart

The Audit & Risk Committee recommends to Council the following:

That Council:

- 1. Adopts the policy Financial Hardship (Attachment 6) as amended; and**
- 2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.**

MOTION CARRIED 5/0

OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC017/12/22**MOVED** Cr R Madacsi

The Audit & Risk Committee recommends to Council the following:

That Council:

1. Adopts the policy Investment of Surplus Funds (Attachment 8); and
2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.

MOTION CARRIED 5/0**OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC018/12/22****MOVED** Cr P Hart

The Audit & Risk Committee recommends to Council the following:

That Council:

1. Adopts the policy Long-term Financial Planning (Attachment 10); and
2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.

MOTION CARRIED 5/0

4.4 Council Policy - Risk Management

Date of Report:	22 November 2022
Applicant or Proponent:	Shire of Toodyay
File Reference:	PCY2
Author:	M Rebane – Executive Assistant
Responsible Officer:	T Bateman – Manager Corporate and Community Services
Previously Before Council:	N/A
Author's Disclosure of Interest:	Nil
Council's Role in the matter:	Review
Attachments:	<ol style="list-style-type: none"> 1. CURRENT Risk Management 2. REFORMATTED Risk Management

PURPOSE OF THE REPORT

To present the reviewed Risk Management Policy for the Audit and Risk Committee's consideration and recommendation to Council.

BACKGROUND

Council resolved to implement a review of all Shire policies at an Ordinary Council Meeting held in February 2022. The Risk Management policy was recently reviewed and adopted in October 2021 just prior to the adoption of the Corporate Documents policy in November 2021. Officers are presenting the Risk Management policy in the format required by the Corporate Documents policy.

COMMENTS AND DETAILS

Council adopted this policy on 26 October 2021 (**Attachment 1**). Very minor typographical changes have been made to the reformatted policy (**Attachment 2**) and the definitions have been updated where appropriate.

IMPLICATIONS TO CONSIDER

Consultative:

This policy was provided to Councillors via the Teams environment before being discussed at Council workshops held in November.

Officers have considered example policies from various other local governments, the Department of Local Government Operational Guidelines and relevant online information.

Strategic:

Toodyay Strategic Community Plan 2028

Governance: the way the Shire leads and operates

O 2: Consistently improve our governance practices.

Policy related:

The structure of policies presented is in line with Council's Corporate Documents Policy, adopted in November 2021.

Financial:

Nil.

Legal and Statutory:

s.5.41 of the *Local Government Act 1995*.

[Section 5 of Western Australia's Surveillance Devices Act 1998](#)

Recording of proceedings from clause 5.16 of the *Shire of Toodyay Standing Orders Local Law 2008*.

Risk related:

The risk of this policy not being adopted at this time is Minor (2) related to Compliance Risk. Adoption of this policy mitigates any risks.

Workforce related:

The policy review is being undertaken in-house by Shire officers.

VOTING REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION/ARC RESOLUTION NO. ARC019/12/22

MOVED Cr R Madacsi

The Audit & Risk Committee recommends to Council the following:

That Council:

1. Adopts the reformatted policy Risk Management (**Attachment 2**).
2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the above policies, prior to publication.

MOTION CARRIED 5/0

5 OTHER BUSINESS / NEW BUSINESS OF AN URGENT NATURE**5.1 MEETING DATES FOR 2023**

Cr Madacsi advised that the dates for the ARC occur on the same date as the State Council Meetings, and it makes it difficult for her to attend both.

Cr Madacsi proposed to look at holding the meetings on other Wednesday days or start the meetings earlier.

Clarification was sought.

MOTION/ARC RESOLUTION NO. ARC020/12/22

MOVED Cr R Madacsi

The Audit & Risk Committee recommends to Council the following:

That the commencement time of the Audit and Risk Committee Meetings in 2023 be changed from 2.00pm to 12.30pm.

MOTION CARRIED 5/0

5.2 RESIGNATION OF COMMUNITY MEMBER

The Chairperson advised that a community member had resigned due to personal reasons at the commencement of this meeting.

It is proposed that even though the expression of interest form is always available on the Shire's website, that actions be undertaken to advertise for expressions of interest for the ARC.

MOTION/ARC RESOLUTION NO. ARC021/12/22

MOVED Cr B Ruthven

The Audit & Risk Committee recommends to Council the following:

That Council authorise the CEO to advertise expressions of interest for the Audit & Risk Committee on Facebook immediately, and in the Toodyay Herald February 2023 edition.

MOTION CARRIED 5/0

6 CONFIRMATION OF NEXT MEETING

The next meeting of the Audit & Risk Committee is scheduled to be held on 1 March 2023 commencing at the new time of 12.30pm, subject to a Council decision at the December 2022 Council Meeting.

7 CLOSURE OF MEETING

The Chairperson closed the meeting at 3.23pm.



ATTACHMENTS MINUTES

Audit & Risk Committee Meeting

Wednesday, 7 December 2022

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ARC STATUS REPORT
Audit & Risk Committee

Supporting Officer
Manager Corporate & Community Services



Meeting Date	Purpose	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary / Comments made
02/03/2022	Review of Audit Report	Datascape to be included in the Status Report as a matter reported on.	Ongoing	MCCS	Ongoing	7.12.22 Noted.
07/09/2022	4.1 Legislative Compliance Policy	That the Audit & Risk Committee recommends to Council the following: That Council: 1. adopts the REVISED Legislative Compliance Policy (Attachment 2), as amended; and 2. Requests the CEO make typographical amendments where required following the adoption of the policy.	28/09/2022	MCCS	28/09/2022	Council Resolution No.: OCM001/09/22
07/09/2022	4.2 Financial Compliance Update	That the Audit & Risk Committee recommends that Council notes the annual financial audit process update as provided in this report to the Audit & Risk Committee.	28/09/2022	MCCS	28/09/2022	Council Resolution No.: OCM002/09/22
07/12/2022	4.1 Risk Management Action Plan - Cyber Security	The Audit & Risk Committee recommends to Council the following: That Council: 1. Notes the LGIS Shire of Toodyay Cyber Review 2022 (Confidential Attachment 1); 2. Adopts the Risk Management Action Plan – Cyber Security Controls (Confidential Attachment 2); and 3. Requests the CEO to provide a progress update to the Audit and Risk Committee no later than 31 May 2023, including any budget requests for inclusion in the draft Annual Budget 2023/2024.	ASAP	MCCS		Council Resolution No.:

ARC STATUS REPORT
Audit & Risk Committee

Supporting Officer
Manager Corporate & Community Services



Meeting Date	Purpose	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary / Comments made
07/12/2022	4.2 10 year Assurance Cycles Plan (assessed annually)	The Audit & Risk Committee recommends to Council the following: That Council adopts the REVISED 10-year Assurance Cycles Plan assessed annually (Attachment 2).	ASAP	MCCS		Council Resolution No.:
07/12/2022	4.3 Financial Policy Review:	The Audit & Risk Committee recommends to Council the following: That Council: 1. Adopts the policy Authorised Signatories (Attachment 2); and 2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.	ASAP	MCCS		Council Resolution No.:
07/12/2022	4.3 Financial Policy Review:	The Audit & Risk Committee recommends to Council the following: That Council: 1. Adopts the policy Corporate Credit Cards (Attachment 4); and 2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.	ASAP	MCCS		Council Resolution No.:
07/12/2022	4.3 Financial Policy Review:	The Audit & Risk Committee recommends to Council the following: That Council: 1. Adopts the policy Financial Hardship	ASAP	MCCS		Council Resolution No.:

ARC STATUS REPORT
Audit & Risk Committee

Supporting Officer
Manager Corporate & Community Services



Meeting Date	Purpose	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary / Comments made
		(Attachment 6) as amended; and 2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.				
07/12/2022	4.3 Financial Policy Review:	The Audit & Risk Committee recommends to Council the following: That Council: 1. Adopts the policy Investment of Surplus Funds (Attachment 8); and 2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.	ASAP	MCCS		Council Resolution No.:
07/12/2022	4.3 Financial Policy Review:	The Audit & Risk Committee recommends to Council the following: That Council: 1. Adopts the policy Long-term Financial Planning (Attachment 10); and 2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the policy, prior to publication.	ASAP	MCCS		Council Resolution No.:
07/12/2022	4.4 Council Policy - Risk Management	The Audit & Risk Committee recommends to Council the following: That Council: 1. Adopts the reformatted policy Risk Management (Attachment 2).	ASAP	MCCS		Council Resolution No.:

ARC STATUS REPORT
Audit & Risk Committee

Supporting Officer
Manager Corporate & Community Services



Meeting Date	Purpose	Resolution	Target date for completion	Actioned by	Completion Date	Meeting Commentary / Comments made
		2. Authorises the Chief Executive Officer to make any necessary minor typographical changes to the above policies, prior to publication.				
07/12/2022	5.1 Meeting Dates For 2023	The Audit & Risk Committee recommends to Council the following: That the commencement time of the Audit and Risk Committee Meetings in 2023 be changed from 2.00pm to 12.30pm.	ASAP	MCCS		Council Resolution No.:
07/12/2022	5.2 Resignation Of Community Member	The Audit & Risk Committee recommends to Council the following: That Council authorise the CEO to advertise expressions of interest for the Audit & Risk Committee on Facebook immediately, and in the Toodyay Herald February 2023 edition.	ASAP	MCCS		Council Resolution No.:

Council Resolution No. 98/04/21

10 year Assurance Cycles Plan
(Assessed Annually)

Projects to be actioned	Legislation Reference	Due Dates	Approximate Costs
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee. Last completed (OCM decision date): 28/08/2018 Due by: 28/08/2021	FM.Reg.5 (2) (c)	Year 1 - FY21/22	\$30,000 and higher
Governance Review		Year 1 - FY21/22	\$25,000
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee. Last completed (OCM decision date): August 2018 Due by: 28/08/2021	Audit.Reg.17	Year 1 - FY21/22	\$30,000 and higher
Conflict of Interest, Gifts, Benefits and Hospitality;		Year 2 - FY22/23	
Fraud, Corruption, Misconduct;		Year 2 - FY22/23	
Records Management;		Year 3 - FY23/24	
Information Management and Technology.		Year 3 - FY23/24	
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee.	FM.Reg.5 (2) (c)	Year 4 - FY24/25	\$30,000 and higher
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee.	Audit.Reg.17	Year 4 - FY24/25	\$30,000 and higher
Procurement;		Year 5 - FY25/26	
Contract Management;		Year 5 - FY25/26	
Human Resources;		Year 6 - FY26/27	

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Council Resolution No. 98/04/21

10 year Assurance Cycles Plan
(Assessed Annually)

Projects to be actioned	Legislation Reference	Due Dates	Approximate Costs
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee.	FM.Reg.5 (2) (c)	Year 7 - FY27/28	\$30,000 and higher
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee.	Audit.Reg.17	Year 7 - FY27/28	\$30,000 and higher
Business Continuity;		Year 8 - FY28/29	
Other area		Year 9 - FY29/30	
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee.	FM.Reg.5 (2) (c)	Year 10 - FY30/31	
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee.	Audit.Reg.17	Year 10 - FY30/31	

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REVISED PLAN 28/11/2022

10 year Assurance Cycles Plan
(Assessed Annually)

Projects to be actioned	Legislation Reference	Due Dates	Approximate Costs
Information Management and Technology.		Year 1 - FY22/23	
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee.	FM.Reg.5 (2) (c)	Year 1 - FY22/23	Estimated at \$40,000 if undertaken in tandem
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee.	Audit.Reg.17	Year 1 - FY22/23	
Records Management;		Year 2 - FY23/24	
Human Resources;		Year 2 - FY23/24	
Business Continuity;		Year 3 - FY24/25	
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee.	FM.Reg.5 (2) (c)	Year 4 - FY25/26	\$30,000 and higher

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REVISED PLAN 28/11/2022

10 year Assurance Cycles Plan
(Assessed Annually)

Projects to be actioned	Legislation Reference	Due Dates	Approximate Costs
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee.	Audit.Reg.17	Year 4 - FY25/26	\$30,000 and higher
Fraud, Corruption, Misconduct;		Year 5 - FY26/27	
Conflict of Interest, Gifts, Benefits and Hospitality;		Year 6 - FY27/28	
Other area		Year 6 - FY27/28	
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee.	FM.Reg.5 (2) (c)	Year 7 - FY28/29	\$30,000 and higher
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee.	Audit.Reg.17	Year 7 - FY28/29	\$30,000 and higher

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REVISED PLAN 28/11/2022

10 year Assurance Cycles Plan
(Assessed Annually)

Projects to be actioned	Legislation Reference	Due Dates	Approximate Costs
Governance Review		Year 8 - FY29/30	\$30,000
Procurement or Other		Year 9 - FY29/30	
Contract Management or Other		Year 10 - FY30/31	
Financial Management Systems and Procedures Review - At least once every 3 years, review the appropriateness and effectiveness of the systems and procedures established under FM Reg.5. CEO to report Review results to Council via the Audit Committee.	FM.Reg.5 (2) (c)	Year 10 - FY30/31	\$30,000 and higher
Regulation 17 Review - Review the appropriateness and effectiveness of the Risk Management system, Legislative Compliance and Internal Controls and procedures at least once every 3 calendar years. CEO to report Review results to Council via the Audit Committee.	Audit.Reg.17	Year 10 - FY30/31	\$30,000 and higher

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F2 Authorised Signatories Policy

Introduction

This policy is intended to provide guidelines for the signing of cheques and authorisation of electronic payments.

Application

This Policy applies to all payments made from the Municipal, Trust and Reserve funds. This includes cheques and electronic payments made on behalf of the Council for all accounts as defined within the Delegation Register.

Policy Intent

To ensure that all of Council's bank instruments and authorities are appropriately authorised and signed by authorised Council Officers.

1. Delegation

In accordance with the *Local Government (Financial Management) Regulations 1996* sub regulation 12 and 13, the Chief Executive Officer is delegated authority to make payments from the Municipal Fund, Trust Fund and Reserve Fund. Each payment from the Municipal Fund, Trust Fund or Reserve Fund is to be noted on a list compiled for each month showing:

- (a) The payee's name;
- (b) The amount of the payment;
- (c) The date of the payment; and
- (d) Sufficient information to identify the transaction.

Authorised signatories to be registered with the Bendigo Bank relate to the position (senior management) and should be as follows:

- (a) Chief Executive Officer;
- (b) Manager Corporate & Community Services;
- (c) Manager Assets and Services;
- (d) Manager Planning & Development; and

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(e) Manager Finance.

For internal control purposes, all payments made, regardless of size and method of payment, are to be authorised by two signatories.

Council Members are not eligible for nomination as signatories.

Authorised persons are required to be identified by the Shire's bankers to ensure that signatories are both authorised and identified prior to making payments on behalf of the Shire.

Any changes to the authorised signatories must be made by the exercise of delegated authority before being effected administratively by the nominated Shire Officer.

Cash floats may be established with the authority of the CEO contingent upon the need for such cash float being validated and approved.

Reference Information

Related Documents	Purchasing Policy
Related Legislation	<i>Local Government Act 1995 (WA)</i> <i>Local Government (Financial Management) Regulations 1996</i> <i>Records Management Act 2000 (WA)</i>
Associated Forms and Attachments	

Document Control Information

Document Category	Governance
Document Title	Authorised Signatories Policy
Document ID	
Author	Manager Corporate & Community Services
Approved By	Council
Date of Approval (OCM)	27 October 2020
Date of Last Review	Reviewed Council Meeting 24 November 2005 Amended Council Meeting 16 November 2006 Amended Council Meeting 15 November 2007 Amended Council Meeting 21 May 2009 Amended Council Meeting 13 May 2010 Amended Council Meeting 21 October 2010 Amended Council Meeting 18 September 2012 Amended Council Meeting 22 July 2014 Amended Council Meeting 22 January 2019 Reviewed Council Meeting 27 October 2020
Date of Next Review	October 2022

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Authorised Signatories

Introduction

This policy is intended to ensure that the signing of cheques and authorisation of electronic payments is compliant with legislative provisions contained in Part 6 – Financial Management of the *Local Government Act 1995* (the Act).

Objective

To ensure there are appropriate systems in place for the effective security and properly authorised use of cheques/EFT payments from the Shire’s bank accounts to safeguard financial resources.

Scope

This Policy applies to the authorisation of all payments made from the Municipal, Trust, and Reserve funds held by the Shire.

Definitions

Term	Definition
Act	<i>Local Government Act 1995</i> .
CEO	Chief Executive Officer
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire’s Standing Orders Local Law 2008</i> .
Executive Managers	the Managers defined as Senior Workers that Council resolved (Res. No. OCM026/03/22) to designate in accordance with section 5.37 of the <i>Local Government Act 1995</i> : <ul style="list-style-type: none"> • Manager Corporate and Community Services; • Manager Infrastructure and Assets; and • Manager Development and Regulation.
Member	In relation to a council or committee, a Council Member in the Act; Elected Member; or Councillor; or a member of the committee.
Regulations	Local Government (Financial Management) Regulations 1996.
Shire	the Shire of Toodyay.

21/06/2022 (28.8)

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Policy Statement

For the purposes of *Regulation 11* and in accordance with Delegation CS1 *Payments from Municipal Fund and Trust Fund*, the following positions will be Authorised Signatories, registered with the Shire's banking institution:

- (a) Chief Executive Officer;
- (b) Manager Corporate and Community Services;
- (c) Manager Infrastructure and Assets,
- (d) Manager Development and Regulation; and
- (e) Finance Coordinator

For internal control purposes, all payments made, regardless of size and method of payment, are to be authorised by two signatories.

Members are not eligible for nomination as signatories.

Council delegates the CEO to authorise and make payments from the municipal, trust, and reserve fund (referred to in Section 6.10 "Financial management regulations" of the Act) in accordance with *Regulation 12 "Payments from municipal fund or trust fund, restrictions on making"*.

In accordance with *Regulation 13*, each payment from the Municipal Fund, Trust Fund or Reserve Fund is to be noted on a list compiled for Council each month showing:

- (a) The payee's name;
- (b) The amount of the payment;
- (c) The date of the payment; and
- (d) Sufficient information to identify the transaction.

Authorised persons are required to be identified by the Shire's banking institution to ensure that signatories are both authorised and identified prior to making payments on behalf of the Shire.

Cash floats may be established with the authority of the CEO contingent upon the need for such cash float being validated and approved.

Reference Information

- [Register of Delegations](#) – CS1 Payments from Municipal Fund or Trust Fund;
- [Purchasing Policy \(FIN3\)](#).

Legislation

- *Local Government Act 1995*;
- *Local Government (Financial Management) Regulations 1996*;
- *Records Management Act 2000*.

Associated documents

Nil.

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Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	24/11/2005	Reviewed	MCCS	Council
V2	16/11/2006	Amended	MCCS	Council
V3	15/11/2007	Amended	MCCS	Council
V4	21/5/2009	Amended	MCCS	Council
V5	13/5/2010	Amended	MCCS	Council
V6	21/10/2010	Amended	MCCS	Council
V7	18/9/2012	Amended	MCCS	Council
V8	22/7/2014	Amended	MCCS	Council
V9	22/1/2019	Amended	MCCS	Council
V10	27/10/2020	Reviewed	MCCS	Council
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Document control information	
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Document Title	Authorised Signatories Policy
Document ID	FIN2
Document Owner (position title)	Manager Corporate & Community Services
Author (position title)	Manager Corporate & Community Services
Date of approval	27 October 2020
Approving authority	Council
Access restrictions	Nil

Page 3

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Document control information	
Date Published	t.b.a.
Date of last review	27 October 2020
Date of next review	10 August 2022
Archived antecedent documents and previous versions	Reviewed OCM 24 Nov 2005 Amended OCM 16 November 2006 Amended OCM 15 November 2007 Amended OCM 21 May 2009 Amended OCM 13 May 2010 Amended OCM 21 October 2010 Amended OCM 18 September 2012 Amended OCM 22 July 2014 Amended OCM 22 January 2019 Reviewed OCM 27 October 2020

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F11 Corporate Credit Cards Policy

Introduction

This policy is intended to provide appropriate internal controls and guidelines regarding usage of Shire of Toodyay Corporate Credit Cards.

Application

This policy applies to all Shire employees assigned the responsibility of a Corporate Credit Card. This policy does not extend to Elected Members, as the Local Government Act does not make any provision for Elected Members to be issued with a Corporate Credit Card.

Policy Intent

Credit cards can serve as an effective way for the Shire to make payment for goods and services. The risks associated with credit card use can be minimised through the implementation of effective controls and administration processes. This policy must be understood by the employee/card holder prior to the issuing of a Corporate Credit Card. This policy was created to ensure controlled use of Corporate Credit Cards and therefore good governance. Consultation of relevant legislation and industry best practice was undertaken.

- This Policy does not negate the preferred option of purchasing for the Shire of Toodyay i.e.: purchase orders and invoicing.
- The use of Shire of Toodyay Corporate Credit Cards is strictly limited to those purchases where standard purchasing options are not available.
- Shire of Toodyay Corporate Credit Cards are strictly to be used for Shire of Toodyay purposes only and are not to be used for personal transactions under any circumstance.
- Misuse of a Shire of Toodyay Corporate Credit Card will result in repayment of any incurred debt and disciplinary action.
- Full record keeping and accountability applies with the usage of Corporate Credit Cards.
- All paperwork and documentation relating to the usage of Corporate Credit Cards must be provided to the Finance Department to ensure appropriate and accurate record-keeping occurs.
- Employees issued with a Shire of Toodyay Corporate Credit Card must take responsible measures to ensure that card details are kept in a safe and confidential manner.

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Shire of Toodyay Corporate Credit Cards are issued as follows:

Position	Limit \$
Chief Executive Officer	10,000.00
Manager Planning & Development	5,000.00
Manager Corporate & Community Services	5,000.00
Manager Assets & Services	5,000.00
Community Emergency Services Manager (Emergencies Only)	2,000.00

- No alteration to credit card limits may be made without the approval of Council.
- No additional credit cards may be requested without the approval of Council.
- No change to the use of credit cards may be made without the approval of Council.
- Shire of Toodyay Corporate Credit Cards are not to be used to pay employee utility accounts. Such accounts are to be paid for by the employee and as part of their contract and/or salary package be reimbursed.

1. Legislation

The impacts of the use and control of corporate credit cards are related to the following sections of the *Local Government Act 1995*:

- (a) Section 2.7(2)(a) and (b) requires the council to oversee the allocation of the local government's finances and resources and determine the local government policies.
- (b) Section 6.5(a) requires the CEO to ensure that there are kept, in accordance with regulations, proper accounts and records of the transactions and affairs of the local government.

Local Government (Financial Management) Regulations 1996 11(1)(a) requires local governments to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained.

2. Purchases and Use of Corporate Credit Cards

Credit Cards shall only be used for purchasing goods and services on behalf of the Shire and in circumstances when the issue of a Purchase Order Number from the Shire is not accepted or appropriate.

Under no circumstances are they to be used for personal or private purposes or for the withdrawal of cash through a bank branch or any automatic teller machine. Expenditure which is deemed to be for personal or private purposes must be declared by the card holder and will need to be refunded to the Shire.

Where purchases are made by facsimile, over the telephone or on the internet, an invoice should be requested to support the purchase. Most internet transactions provide this ability and any telephone or facsimile communications provide the opportunity to make such a request. If no invoice or receipt is available, as much detail about the transaction should be

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recorded and used to support the payment when required. (Date, Company, Address, ABN, amount any GST included).

3. Payments

- (a) All paperwork must for credit card purchases must be returned to the Corporate Services Unit within 7 days of expenditure.
- (b) There will be a monthly account statement that will be provided to the respective cardholder to certify statement and they will also be required to check all invoices/receipts for transactions. All paperwork must be returned to Corporate Services Unit within 7 days of receiving statement.
- (c) Once the cardholder has returned the statement, it must be signed by CEO. The Corporate Services Unit will be required to review the Chief Executive Officer's statement.
- (d) All invoices/receipts must include the suppliers ABN, amount and whether GST applies, and a brief description of goods and services purchased.

4. Card Lost or Stolen

Cards that are lost or stolen must be reported immediately by the cardholder to the issuing bank. At the earliest opportunity, written notification must also be given to Corporate Services Unit so that the cancellation of the card may be confirmed and a reconciliation of the card account from the date the card was lost or stolen may be performed.

5. Misuse of Corporate Credit Cards

Cards which show unreasonable, excessive or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the cardholder.

6. Return of Cards

When the Chief Executive Officer or other Officer cease to occupy a position that is authorised to be issued with a corporate credit card (either through internal transfer, retirement, resignation or conclusion of service contract) they must return the card to Corporate Services Unit at least one week prior to vacating the position so that the card may be cancelled and the account settled.

7. Corporate Services Business Unit Responsibilities

The Corporate Services Unit is responsible for arranging the issue of the Corporate Credit Card on advice from the Chief Executive Officer. The Corporate Services Business Unit's responsibilities in relation to the Corporate Credit Cards include:

- (a) Arrange the issue/cancellation of the Corporate Credit Cards.
- (b) Process payment of card expenditure on receipt of the card statement from the Bank.
- (c) To keep cardholders informed of any changes to policy and procedures on the use of the Corporate Cards.

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8. Cardholders Responsibilities

Officers who are issued with Corporate Cards must:

- (a) Ensure the care and safe keeping of the card.
- (b) Adhere to the policy and procedures in relation to use of the card and its financial limits.
- (c) Ensure receipts and tax invoices are received when the card is used and to produce them as evidence for settlement with the Bank.
- (d) Ensure the monthly card statement is certified correct and approved for payment when received from Corporate Services Unit and returned to Corporate Services Unit together with the receipts and tax invoices within seven (7) days of receipt.
- (e) Ensure relevant and correct expenditure account details (account numbers) are provided against each item of expenditure on the card statement to assist with the allocation of expenses and claims for the reimbursement of GST from the Australian Taxation Office.
- (f) To provide an early response to enquiries that may be made by the bank, creditors or related parties, as the case may be.

Reference Information

Related Documents

Related Legislation	<i>Local Government Act 1995 (WA)</i> <i>Local Government (Financial Management) Regulations 1996</i>
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Associated Forms and Attachments

Document Control Information

Document Category	Finance
Document Title	Corporate Credit Cards
Document ID	NPP20706
Version No.	-
Archived and Previous Version	N/A
Author (position title)	Manager Corporate & Community Services
Approved By	Council
Date of Approval (OCM)	15 December 2020
Date of Last Review	Amended Council Meeting 18 September 2012 Amended Council Meeting 15 October 2013 Amended Council Meeting 22 January 2019 Amended Council Meeting 15 December 2020
Date of Next Review	December 2021

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Corporate Credit Cards

Introduction

This policy is intended to ensure that appropriate internal controls are in place regarding usage of credit cards in accordance with the legislative provisions contained in Part 6 – Financial Management of the *Local Government Act 1995* (the Act).

Objective

To provide guidance in the issue and use of corporate credit cards in order to ensure good governance and to reduce the risk of fraud and misuse of corporate credit cards.

Scope

The requirements of this policy apply to all Shire Officers that are issued with and/or use corporate credit cards.

Definitions

Term	Definition
Act	<i>Local Government Act 1995</i> .
CEO	Chief Executive Officer
Corporate Services	The Corporate Services Business Unit, comprising of the Manager Corporate Services, the Finance Coordinator, and the Finance Officer – Accounts Payable and Payroll.
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire's Standing Orders Local Law 2008</i> .
Credit card(s)	The Shire of Toodyay Corporate Credit Card(s)
Form	The Shire's Credit Card Request Form
Member	In relation to a council or committee, a Council Member in the Act; Elected Member; or Councillor; or a member of the committee.
Regulations	<i>Local Government (Financial Management) Regulations 1996</i>
Shire	The Shire of Toodyay.
Standard purchasing options	The preferred option of purchasing for the Shire by way of requisitions; purchase orders; and invoicing.

21/06/2022 (45.6)

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Term	Definition
Statement	The monthly credit card account statement

Policy Statement

Credit cards serve as an effective means for the Shire to make payment for goods and services. The risks associated with credit card use are minimised through the implementation of effective internal controls and administration processes.

This policy ensures accountability in regard to the use of credit cards and does not negate standard purchasing options.

Council is responsible for approving credit card limits; additional credit cards; and the Corporate Credit Card(s) Policy.

1. Corporate Services' Responsibilities

Corporate Services is responsible for the issue, management and cancellation of a credit card, including credit card validation and acquittal of expenditure; including:

- (a) Arranging the issue/cancellation of credit cards;
- (b) Processing payment of credit card expenditure on receipt of a statement from the Bank.
- (c) Keeping card holders informed of any changes to policy and procedures on the use of the credit cards.
- (d) Reporting to all credit card expenditure to Council with the monthly financial report.

2. Credit Card Issue

Officers issued with a credit card must take responsible measures to ensure that card details are kept in a safe and confidential manner. Credit card holders are as follows:

Position	Limit \$
Chief Executive Officer	10,000.00
Manager Development and Regulation	5,000.00
Manager Corporate & Community Services	5,000.00
Manager Infrastructure and Assets	5,000.00
Community Emergency Services Manager (emergencies only)	2,000.00

3. Purposes for which a card may, or may not be used

Credit cards shall only be used for purchasing goods and services on behalf of the Shire for Shire purposes only, in circumstances where standard purchasing options are not available. Personal expenditure is strictly prohibited.

3.1 Credit Cards are not to be used;

- for personal transactions or private purposes, under any circumstance.
- for the withdrawal of cash through a bank branch or any automatic teller machine.
- to pay employee utility accounts. Such accounts are to be paid for by the employee and as part of their contract and/or salary package be reimbursed.
- expenditure which is deemed to be for personal or private purposes must be declared by the card holder and will need to be refunded to the Shire.

4. Process for purchases, including online purchases

A Credit Card Request Form must be completed for all credit card purchases, whether those purchases are made over the phone, or online.

The form may be completed by either the card holder, or a Shire Officer on behalf of the card holder. All relevant documentation that will support the credit card purchase request must be attached to the form and provided to Corporate Services within 7 days of expenditure to ensure appropriate and accurate recordkeeping occurs.

Where purchases are made by telephone or online, an invoice should be requested or printed to support the purchase. If no invoice or receipt is available, as much detail about the transaction should be recorded and used to support the payment when required (e.g. the Date; Company; Address; ABN; amount and any GST included; and the reason for the transaction).

5. Card holder obligations

Officers issued with credit cards must:

- (a) Ensure the care and safe keeping of the card.
- (b) Adhere to the policy and procedures in relation to credit card use and financial limits.
- (c) Ensure receipts and tax invoices are received when the credit card is used and to produce them as evidence for settlement with the Bank.
- (d) Ensure relevant and correct expenditure account details and work order numbers are provided against each item of expenditure on the account statement to assist with the allocation of expenses and claims for GST.
- (e) Ensure the monthly account statement is certified correct and approved for payment when received from Corporate Services; and returned to Corporate Services together with the receipts and tax invoices within 7 days of receipt.

5.1 Statements

- (a) Once the statement is reconciled and expenditure verified by Corporate Services, the CEO must sign the statement(s).
- (b) Corporate Services will review the CEO's statement.

- (c) All invoices/receipts must include the supplier's ABN; the amount spent (including whether GST is applicable); and a brief description of goods and services purchased.

5.2 Lost or Stolen Credit Cards

- (a) The card holder must report immediately where a credit card has been lost or stolen by notifying the issuing Bank and Corporate Services in writing and by telephone.
- (b) This will enable Corporate Services and the Bank to confirm cancellation of the card; and perform a reconciliation of the account statement from the date the card was lost or stolen.

5.3 Return of Cards

When a card holder ceases to occupy a position that is authorised to be issued with a credit card, they must return the credit card to Corporate Services at least one week prior to vacating the position so that the card may be cancelled, and the account settled.

6. Misuse of Corporate Credit Cards

Credit Card showing unreasonable, excessive or unauthorised expenditure will be subject to audit and may result in the withdrawal of the card from the card holder.

Any misuse of a credit card will result in repayment of any incurred debt and disciplinary action.

Reference Information

- [Register of Delegations](#) – CS1 Payments from Municipal Fund or Trust Fund.
- [Purchasing Policy \(FIN3\)](#).
- [Controls over Corporate Credit Cards](#) from the Office of the Auditor General
- [Use of Corporate Credit Cards \(dlgsc.wa.gov.au\)](http://dlgsc.wa.gov.au) Local Government Operational Guidelines

Legislation

- *Local Government Act 1995.*
- *Local Government (Financial Management) Regulations 1996.*

Associated documents

Credit Card Request Form.

Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	18/9/2012	Amended	MCCS	Council

21/06/2022 (45.6)

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Draft V5 – REVISED Corporate Credit Cards

***** This Document is not controlled once it has been printed *****

Version No.	Date Issued	Review position	Developed by	Approved by
V2	15/10/2013	Amended	MCCS	Council
V3	22/1/2019	Amended	MCCS	Council
V4	15/12/2020	Amended	MCCS	Council
V5	21/06/2022	Reviewed	MCCS	Council

Document control information	
Document Theme	Finance
Document Category	Finance
Document Title	Corporate Credit Cards
Document ID	FIN11
Document Owner (position title)	Manager Corporate & Community Services
Author (position title)	Manager Corporate & Community Services
Date of approval	t.b.a
Approving authority	Council
Access restrictions	Nil
Date Published	t.b.a.
Date of last review	21 June 2022
Date of next review	t.b.a.
Archived antecedent documents and previous versions	Amended OCM 18 September 2012 Amended OCM 15 October 2013 Amended OCM 22 January 2019 Amended OCM 15 December 2020

21/06/2022 (45.6)

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Draft V5 – REVISED Corporate Credit Cards

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F22 COVID-19 Financial Hardship

Introduction

This Policy is intended to ensure that we offer fair, equitable, consistent and dignified support to ratepayers suffering hardship, while treating all members of the community with respect and understanding at this difficult time.

Application

This policy applies to rates, fees and service charges after the adoption of this policy.

Policy Intent

It is a reasonable community expectation, as we deal with the effects of the pandemic that those with the capacity to pay rates will continue to do so. For this reason, the Policy is not intended to provide rate relief to ratepayers who are not able to evidence financial hardship and the statutory provisions of the *Local Government Act 1995* and *Local Government (Financial Management) Regulations 1996* will apply.

1. Payment difficulties, hardship and Vulnerability

Payment difficulties, or short-term financial hardship, occur where a change in a person's circumstances result in an inability to pay a rates, fees and service charges debt.

Financial hardship occurs where a person is unable to pay rates, fees and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants. The Shire of Toodyay recognises the likelihood that COVID19 will increase the occurrence of payment difficulties, financial hardship and vulnerability in our community. This policy is intended to apply to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc

Adapted from the Ombudsman Western Australia publication, **Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance:** <http://www.ombudsman.wa.gov.au/>

2. Anticipated Financial Hardship due to COVID19

We recognise that many ratepayers are already experiencing financial hardship due to COVID-19. We respect and anticipate the probability that additional financial difficulties will arise when their rates notices are received.

We will write to ratepayers at the time their account falls into arrears, to advise them of the terms of this policy and encourage eligible ratepayers to apply for hardship consideration. Where possible and appropriate, we will also provide contact information for a recognised financial counsellor and/or other relevant support services.



3. Financial Hardship Criteria

While evidence of hardship will be required, we recognise that not all circumstances are alike. We will take a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Recent unemployment or under-employment
- Sickness or recovery from sickness
- Low income or loss of income
- Unanticipated circumstances such as caring for and supporting extended family

Ratepayers are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering a payment proposal. We will consider all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with our statutory responsibilities.

4. Payment Arrangements

Payment arrangements facilitated in accordance with Section 6.49 of the Act are of an agreed frequency and amount. These arrangements will consider the following:

- That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;
- The ratepayer will be responsible for informing the Shire of Toodyay of any change in circumstance that jeopardises the agreed payment schedule.

5. Deferment of Rates

Deferment of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property. The deferred rates balance:

- remains as a debt on the property until paid;
- becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;
- may be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- does not incur penalty interest charges.

6. Debt recovery

We will suspend our debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises us and makes an alternative plan before defaulting on the 3rd due payment, then we will continue to suspend debt recovery processes.

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Adopted by Council on 28/04/2020

V1 – F.22 COVID-19 Financial Hardship

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Where a ratepayer has not reasonably adhered to the agreed payment plan, then for any Rates, Fees and Service Charges debts that remain outstanding on 1 July 2021, we will offer the ratepayer one further opportunity of adhering to a payment plan that will clear the total debt by the end of the 2021/2022 financial year.

Rates, Fees and Service Charges debts that remain outstanding at the end of the 2021/22 financial year, will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*.

7. Review

We will establish a mechanism for review of decisions made under this policy and advise the applicant of their right to seek review and the procedure to be followed.

8. Communication and Confidentiality

We will always maintain confidential communications and we undertake to communicate with a nominated support person or other third party at your request.

We will advise Shire debtors of this policy and its application, when communicating in any format (i.e. verbal or written) with a debtor that has an outstanding rates, fees or service charge debt.

We recognise that applicants for hardship consideration are experiencing additional stressors and may have complex needs. We will provide additional time to respond to communication and will communicate in alternative formats where appropriate. We will ensure all communication with applicants is clear and respectful.

Reference Information

Related Documents	Not applicable				
Related Legislation	<i>Local Government Act 1995</i> <i>Local Government (Financial Management) Regulations 1996</i>				
Associated Forms and Attachments	Not applicable				
Version Control Information	Version No.	Issue Date	Nature of amendment	Developed By	Approved By
	V0	28/04/2020	V1	WALGA	Council



Document Control Information

Document Theme	Governance
Document Category	Corporate Services
Document Title	COVID-19 Financial Hardship
Document ID	F22
Document Owner (position title)	Chief Executive Officer
Author (position title)	Acting Chief Executive Officer
Date of approval	28 April 2020 (Res. No. 140/04/20)
Approving authority	Council
Access restrictions	Nil
Date Published	30 April 2020
Date of last review	Not applicable.
Date of next review	28 April 2022
Archived antecedent documents and previous versions	Not applicable.

4

Adopted by Council on 28/04/2020

V1 – F.22 COVID-19 Financial Hardship

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Financial Hardship

Introduction

This Policy ensures that the Shire offers fair, equitable, consistent and dignified support to ratepayers suffering genuine financial hardship, while treating all members of the community with respect and understanding.

Objective

To provide guidance to Shire Officers and Members in regard to rate relief to ratepayers who are able to evidence financial hardship.

Scope

This policy applies to all ratepayers experiencing financial hardship regardless of their status, be they a property owner, tenant, business owner etc.

Definitions

Term	Definition
Act	<i>Local Government Act 1995.</i>
Corporate Services	The Corporate Services Business Unit, comprising of the Manager Corporate Services, the Finance Coordinator, and the Accounts/HR Officer.
CEO	Chief Executive Officer
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire's Standing Orders Local Law 2008</i> .
Member	In relation to a council or committee, a Council Member in the Act; Elected Member; or Councillor; or a member of the committee.
Regulations	<i>Local Government (Financial Management) Regulations 1996</i>
Shire	The Shire of Toodyay.

Policy Statement

Council delegates to the CEO the exercise of its power or the discharge of any of its duties in relation to Part 6, Division 6 "Rates and Services Charges to make an agreement with a person for the payment of rates or service charges (referred to in Subdivision 4 – Payment of rates and service charges of the Act).

21/06/2022 (31.4)

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Draft V2 – REVISED COVID-19 Financial Hardship

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1. Payment difficulties, hardship and vulnerability

Payment difficulties, or short-term financial hardship, occur where a change in a person's circumstances result in an inability to pay a rates, fees and service charges debt.

Financial hardship occurs where a person is unable to pay rates, fees and service charges without affecting their ability to meet their basic living needs, or the basic living needs of their dependants.

2. Financial Hardship Criteria

While evidence of hardship is required, the Shire recognises that not all circumstances are alike. The Shire has a flexible approach to a range of individual circumstances including, but not limited to, the following situations:

- Recent unemployment or under-employment;
- Sickness or recovery from sickness;
- Low income or loss of income;
- Unanticipated circumstances such as caring for and supporting extended family.

Ratepayers are encouraged to provide any information about their individual circumstances that may be relevant for assessment. This may include demonstrating a capacity to make some payment and where possible, entering into a payment arrangement.

The Shire considers all circumstances, applying the principles of fairness, integrity and confidentiality whilst complying with statutory responsibilities.

3. Payment Arrangements

Payment arrangements are facilitated in accordance with Section 6.49 of the Act.

Such arrangements are of an agreed frequency and amount, considering the following:

- That a ratepayer has made genuine effort to meet rate and service charge obligations in the past;
- The payment arrangement will establish a known end date that is realistic and achievable;
- The ratepayer will be responsible for informing the Shire of Toodyay of any change in circumstance that jeopardises the agreed payment schedule.

4. Deferment of Rates

Deferment of rates may apply for ratepayers who have a Pensioner Card, State Concession Card or Seniors Card and Commonwealth Seniors Health Care Card registered on their property. The deferred rates balance:

- remains as a debt on the property until paid;
- becomes payable in full upon the passing of the pensioner or if the property is sold or if the pensioner ceases to reside in the property;

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- may be paid at any time, BUT the concession will not apply when the rates debt is subsequently paid (deferral forfeits the right to any concession entitlement); and
- does not incur penalty interest charges.

5. Debt recovery

The Shire will suspend its debt recovery processes whilst negotiating a suitable payment arrangement with a debtor. Where a debtor is unable to make payments in accordance with the agreed payment plan and the debtor advises the Shire and makes an alternative plan before defaulting on the 3rd due payment, the Shire will continue to suspend debt recovery processes.

Where a ratepayer has not reasonably adhered to the agreed payment plan, any rates and charges that remain outstanding will then be subject to the rates debt recovery procedures prescribed in the *Local Government Act 1995*, as outlined in Debt Collection policy. If interest had been held, this will also begin to accrue.

6. Review

Corporate Services establishes a mechanism for review of decisions made under this policy and advises the applicant of their right to seek review and the procedure to be followed.

7. Communication and Confidentiality

The Shire maintains confidential communications and undertakes to communicate with a nominated support person or other third party when requested.

The Shire advises Shire debtors of this policy and its application, when communicating in any format (i.e. verbal or written) with a debtor that has an outstanding rates, fees or service charge debt.

The Shire recognises that applicants for hardship consideration are experiencing additional stressors and may have complex needs. The Shire will provide additional time to respond to communication and will communicate in alternative formats where appropriate. The Shire ensures all communication with applicants is clear and respectful.

Reference Information

- [Financial Control Matters](#) from the Office of the Auditor General.
- [Register of Delegations](#) – CS4 Approval of Payment Arrangement for Payment of Rates and Service Charges.
- Adapted from the Ombudsman Western Australia publication, [Local government collection of overdue rates for people in situations of vulnerability: Good Practice Guidance](#)

Legislation

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996*

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Associated documents

Not applicable

Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	28/4/2020	Adoption	WALGA	Council
V2	21/06/2022	Review	Exec Services	Council

Document control information	
Document Theme	Finance
Document Category	Finance
Document Title	Financial Hardship
Document ID	FIN22
Document Owner (position title)	Chief Executive Officer
Author (position title)	Chief Executive Officer
Date of approval	t.b.a.
Approving authority	Council
Access restrictions	Nil
Date Published	t.b.a.
Date of last review	t.b.a.
Date of next review	t.b.a.
Archived antecedent documents and previous versions	28 April 2020 (Res. No. 140/04/20)

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F9 Investment of Surplus Funds Policy

Introduction

To provide guidance for the investment of Shire funds, with due consideration of legislative requirements and risk at the most favourable rate of return available to the Shire at the time for the particular investment type, while ensuring that the Shire's liquidity requirements are being met.

Application

This policy applies to investment of all Shire surplus funds.

Policy Intent

While exercising the power to invest, consideration is to be given in preservation of capital, liquidity and the return of investment:

- Preservation of capital is the principal objective of the investment portfolio. Investments are to be performed in a manner that seeks to ensure security and safeguarding the investment portfolio.
- The investment portfolio will ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated redemption of an investment.
- The investment is expected to achieve a predetermined market average rate of return that takes into account the Council's risk tolerance. Any additional return target set by Council will also consider the risk limitation and prudent investment principles.

1. Statutory Compliance

All investments are to be made in accordance with:

- (a) *Local Government Act 1995* – Section 6.14;
- (b) *The Trustees Act 1962* – Part III Investments as amended by the *Trustees Amendment Act 1997*;
- (c) *Local Government (Financial Management) Regulations 1996* – specifically Regulation 19, Regulation 28 and Regulation 49; and
- (d) Australian Accounting Standards.

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2. Authorised Institutions

Investments may only be made with an authorised institution. An **Authorised Institution** is defined as:

- (a) An authorised deposit taking institution as defined in the *Banking Act 1959* (Commonwealth) Section 5; or
- (b) The Western Australian Treasury Corporation (WATC) established by *The Western Australian Treasury Corporation Act 1986* for a term not exceeding twelve months; or
- (c) Bonds that are guaranteed by the Commonwealth Government or a State or Territory and which have a term not exceeding three months.

3. Authorised Investments

The only types of authorised investments under *Local Government Act 1995* Section 6.14(1), and *Local Government (Financial Management) Regulations 1996* – Regulation 19C, are as follows:

- a) an authorised deposit-taking institution as defined in the *Banking Act 1959* (Commonwealth) section 5; or
- b) the Western Australian Treasury Corporation established by the *Western Australian Treasury Corporation Act 1986*

Authorised Investments shall be limited to Australian currency denominated.

4. Prohibited Investments

When investing money under *Local Government Act 1995* Section 6.14(1), and *Local Government (Financial Management) Regulations 1996* – Regulation 19C, a local government may not do any of the following:

- (a) Deposit with an institution other than an Authorised Institution;
- (b) Deposit for a fixed term of more than three years;
- (c) Invest in Bonds that are not guaranteed by the Commonwealth Government or a State or Territory Government;
- (d) Invest in Bonds with a term to maturity greater than three years; and
- (e) Make foreign currency investments.

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5. Risk Profile

Whilst the investments made in accordance with the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* and Part III of the *Trustees Act 1962* are inherently low risk, when exercising the power of investment, the following principles are also to be given due consideration:

- (a) The purpose of the investment, and its needs together with the circumstances;
- (b) The nature of and the risk associated with the different investments;
- (c) The need to maintain the real value of capital and income;
- (d) The risk of capital loss or income loss;
- (e) The likely return and the timing of that return;
- (f) The liquidity and the marketability of the proposed investment during, and at the determination of the term of, the proposed investment;
- (g) The aggregate value of the investment;
- (h) The likelihood of inflation affecting the value of the proposed investment;
- (i) The costs (including commissions, fees, charges and duties payable) of making the proposed investment; and
- (j) The ethicality and reputation risk of the investment.

6. Delegation of Authority

Authority of the implementation of this Policy is delegated by Council to the Chief Executive Officer (CEO) in accordance with the *Local Government Act 1995*. The CEO may in turn delegate the day-to-day management of Council's investments to the Manager Corporate & Community Services and/or Manager Finance.

7. Prudent Person Standard

Investments will be managed with the care, diligence and skill that a prudent person would exercise. Officers are to manage the investment portfolios to safeguard the portfolios in accordance with the intent and objectives of this Policy and not for speculative purposes.

8. Reporting

A report on the investments will be included in the Monthly Financial Statements presented to the Council. This will include the following details:

- (a) Name of institution where investment is lodged;
- (b) Amount of funds invested;
- (c) Interest rate on investment; and
- (d) Date of maturity of investment.

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Documentary evidence will be held for each investment and details thereof maintained in an Investment Register.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Shire's behalf as at 30 June each year and reconciled to the Investment Register.

Reference Information

Related Documents

Related Legislation	<i>Local Government Act 1995 (WA)</i> <i>The Trustees Act 1962 – Part III Investments as amended by the Trustees Amendment Act 1997;</i> <i>Local Government (Financial Management) Regulations 1996</i> <i>Banking Act 1959</i>
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Associated Forms and Attachments

Document Control Information

Document Category	Finance
Document Title	Investment of Surplus Funds
Document ID	
Author	Manager Corporate & Community Services
Approved By	Council
Date of Approval (OCM)	27 October 2020
Date of Last Review	Amended Council Meeting 15 November 2007 Reviewed Council Meeting 21 May 2009 Amended Council Meeting 13 May 2010 Amended Council Meeting 18 September 2012 Amended Council Meeting 22 July 2014 Reviewed Council Meeting 22 November 2016 Amended Council Meeting 22 January 2019 Reviewed Council Meeting 27 October 2020
Date of Next Review	October 2022

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Investment of Surplus Funds

Introduction

The investment of funds is a crucial aspect to good financial management and provides an additional revenue source for the Shire. This policy provides a framework for investing surplus funds so that returns are maximised, whilst having due consideration for risk and security of funds.

Objective

The objectives of this policy are:

- To ensure the investment of funds is undertaken in a prudent manner that results in returns being maximised and risk minimised;
- To achieve a high level of security by using recognised ratings criteria; and
- To have ready access to funds for day-to-day cashflow requirements.

Scope

Application of this policy relates to all Shire funds including general funds, reserve funds and other restricted funds invested by the Council.

Definitions

Term	Definition
Act	<i>Local Government Act 1995.</i>
Authorised Institution	(a) An authorised deposit taking institution as defined in the <i>Banking Act 1959 (Commonwealth)</i> Section 5; or (b) The Western Australian Treasury Corporation (WATC) established by <i>The Western Australian Treasury Corporation Act 1986.</i>
CEO	Chief Executive Officer
Regulations	<i>Local Government (Financial Management) Regulations 1996.</i>
Shire	The Shire of Toodyay.
Standard and Poor's rating (S&P)	A financial services company providing index data and a source of independent credit ratings.

Policy Statement

Investments will be managed with the care, diligence and skill that a prudent person would exercise. Shire Officers are to manage investments to safeguard the portfolios in accordance with the spirit of this policy, i.e. Officers will not engage in speculative deals which involve deliberately taking a higher risk, in the hope of making an extraordinary gain.

1. Delegation of Authority

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In accordance with section 5.42 of the Act, Council delegates the CEO to exercise its power to authorise and make payments from the municipal or trust fund and, in accordance with section 6.14, to invest surplus funds.

The CEO may in turn delegate the day-to-day management of Council's investments to the Manager Corporate and Community Services and/or the Finance Coordinator.

This policy requires Shire Officers to disclose any conflict of interest to the CEO.

2. Authorised Investments

Authorised investments are limited to the following;

- Fixed and floating rate interest bearing deposits with authorised institutions and with a term to maturity of 3 years or less; and
- State and Commonwealth Government Bonds with a term to maturity of 3 years or less.

3. Prohibited Investments

This policy prohibits investments in foreign currency and the use of leveraged funds for the purpose on investing.

4. Credit Risk Framework

To control the credit quality on the entire portfolio, exposure to any particular credit rating category will be limited as follows;

S&P Long Term Rating	S&P Short Term Rating	Investment Maximum %	Description
AA-	A-1+-	100	Very strong capacity to repay
A+	A-1+	100	Strong capacity to pay
BBB+	A-2	80	Adequate capacity to pay
BBB	A-3	50	Adequate capacity to pay

5. Reporting

A report on the investments will be included in the Monthly Financial Statements presented to the Council. This will include the following details:

- (a) Name of institution where investment is lodged;
- (b) Amount of funds invested;
- (c) Interest rate on investment; and
- (d) Date of maturity of investment.

Documentary evidence will be held for each investment and details thereof maintained in an Investment Register.

Certificates must be obtained from the financial institutions confirming the amounts of investments held on the Shire's behalf as at 30 June each year and reconciled to the Investment Register.

Reference Information

- [Register of Delegations](#) – CS2 Investment of Surplus Funds;
- [Risk Management](#) (ADM18).

Legislation

- *Local Government Act 1995* - s.6.14.
- *The Trustees Act 1962* – Part III Investments as amended by the *Trustees Amendment Act 1997*
- *Local Government (Financial Management) Regulations 1996* – r.19, 19C, 28, 49.
- *Banking Act 1959*.
- Australian Accounting Standards.

Associated documents

- Nil

Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	15/11/2007	Amended	CEO/MCCS	Council
V2	21/5/2009	Reviewed	CEO/MCCS	Council
V3	13/5/2010	Amended	CEO/MCCS	Council
V4	18/9/2012	Amended	CEO/MCCS	Council
V5	22/7/2014	Amended	CEO/MCCS	Council
V6	22/11/2016	Reviewed	CEO/MCCS	Council
V7	22/1/2019	Amended	CEO/MCCS	Council
V8	27/10/2020	Reviewed	CEO/MCCS	Council
V9	21/12/2022	Reviewed		Council

Document control information

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Draft V9 – REVISED Investment of Surplus Funds

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Document control information	
Document Theme	Finance
Document Category	Finance
Document Title	Investment of Surplus Funds
Document ID	FIN9
Document Owner (position title)	Manager Corporate & Community Services
Author (position title)	Manager Corporate & Community Services
Date of approval	t.b.a.
Approving authority	Council
Access restrictions	Nil
Date Published	T.B.A.
Date of last review	27 October 2020
Date of next review	T.B.A.
Archived antecedent documents and previous versions	Amended OCM 15 November 2007 Reviewed OCM 21 May 2009 Amended OCM 13 May 2010 Amended OCM 18 September 2012 Amended OCM 22 July 2014 Reviewed OCM 22 November 2016 Amended OCM 22 January 2019 Reviewed OCM 27 October 2020

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F18 Long Term Financial Planning Policy

Introduction

The objective of this Policy is to establish a strategic financial framework to guide long term financial planning and its connection to the annual budget process. This policy is aimed at ensuring that the Shire has sufficient and cost-effective funding to achieve its long term and short term operating and capital budgets.

Application

The purpose of this policy is to inform the processes required to adhere to all legislative, regulatory and policy imperatives to develop a Long-Term Financial Plan.

Policy Intent

To ensure that all long-term financial planning is based on a structured and consistent methodology in order to ensure long term financial sustainability of the Shire.

1. Long Term Financial Planning

The Long-Term Financial Plan sets out the Shire's estimated expenditure over a ten-year period, based on community goals and objectives, as well as resources necessary to achieve this. The Shire of Toodyay will prepare/update annually a long-term financial plan that includes, but is not limited to, the following components:

- (a) Major underlying assumptions;
- (b) Projections of operating revenues and expenses for at least the next ten years;
- (c) Expected rate yield and percentage change from previous periods;
- (d) Major capital outlays separated into components of new and renewal;
- (e) Variations in net debt levels;
- (f) Changes in the value of reserve balances; and
- (g) Sensitivity analysis (changes most likely to affect the Plan).

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Every two/three years, the Shire will include, as a component of the Long-Term Financial Plan, a strategic financial section which consists of at least the following:

- (a) Asset Management Planning for:
 - (i) Road infrastructure;
 - (ii) Drainage;
 - (iii) Major buildings;
 - (iv) Major leisure facilities; and
 - (v) Major commercial activities (including airport and land development).
- (b) An analysis of the impact of future changes in services levels;
- (c) An explanation of the strategic financial direction and rationale underpinning the Plan;
- (d) Details of strategic initiatives contained within the Financial Plan; and
- (e) Strategic financial parameters and targets.

2. Planning Principles

Long Term Financial Planning is based on the following principles:

- (a) Future financial viability of the Shire;
- (b) Optimal revenue collection, taking into consideration the socio-economic environment;
- (c) Optimal utilisation of grant funding;
- (d) Continuous improvement and expansion in the quality of service delivery;
- (e) Ensuring asset management is sustainable; and
- (f) Borrowing only for substantial long-term assets at affordable levels.

3. Informing Documents

The Long-Term Financial Plan shall be compiled using the following informing documents:

- (a) Community Strategic Plan;
- (b) Corporate Business Plan;
- (c) Asset Management Plans;
- (d) Workforce Plan; and
- (e) Annual Budget.

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4. Annual Budget

The Annual Budget is to be developed from a base being the first year of the Council's Adopted Long-Term Financial Plan.

The Long-Term Financial Plan will be in a form that is consistent with Regulation 22 of the *Local Government (Financial Management) Regulations 1996*.

5. Annual Review

The Long-Term Financial plan must be reviewed on an annual basis as part of the annual preparation of the budget and updated with at least the following information:

- (a) any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Shire;
- (b) any changes in the economic and socio-economic environment, other than previously predicted, which may influence the financial status of the Shire;
- (c) any changes in the revenue base or composition which may have an impact on the financial viability of the Shire;
- (d) any changes in the community priorities as previously identified; and
- (e) any factors which may have an impact on the ability to implement previously identified projects.

Reference Information

Related Legislation	<i>Local Government Act 1995 (WA)</i> <i>Local Government (Financial Management) Regulations 1996</i>
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Document Control Information

Document Category	Finance
Document Title	Long Term Financial Planning
Document ID	
Author (position title)	Manager Corporate & Community Services
Approved By	Chief Executive officer
Date of Approval (OCM)	22 July 2014
Date of Last Review	22 January 2019 Reviewed Council Meeting 27 October 2020
Date of Next Review	October 2022

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Long Term Financial Planning

Introduction

This policy ensures that the Shire’s long-term financial planning is based on a structured and consistent methodology in order to ensure long-term financial sustainability of the Shire.

Objective

To establish a strategic financial framework that ensures the Shire has sufficient and cost-effective funding to achieve its short-term and long-term operating, and capital budgets.

Scope

This policy applies to the development and review of the Shire’s long-term financial planning.

Definitions

Term	Definition
Act	<i>Local Government Act 1995.</i>
Assurance Cycles Plan	The 10-year Assurance Cycles Plan adopted by Council in April 2021 (as amended from time to time).
CEO	Chief Executive Officer
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire’s Standing Orders Local Law 2008</i> .
ISP documents	Integrated Strategic Planning documents are a combination of the Shire’s: (a) Asset Management Plans; (b) Strategic Community Plan; (c) Corporate Business Plan; and the (d) Workforce Plan.
LTFP	The Long-term Financial Plan.
Regulations	<i>Local Government (Financial Management) Regulations 1996.</i>
Shire	The Shire of Toodyay.

Policy Statement

The LTFP indicates a local government's long-term financial sustainability, allows early identification of financial issues and their longer-term impacts, shows the linkages between specific plans and strategies, and enhances the transparency and accountability of the Council to the community.

The LTFP is developed by the Shire, utilising its Annual Budget, Assurance Cycles Plan, and ISP documents.

1. Long Term Financial Planning

The LTFP sets out estimated expenditure over a ten-year period, based on resources necessary to achieve community goals and objectives. The LTFP includes, but is not limited to, the following:

- (a) Major underlying assumptions;
- (b) Projections of operating revenues and expenses;
- (c) Expected rate yield and percentage change from previous periods;
- (d) Major capital outlays separated into components of new and renewal;
- (e) Variations in net debt levels;
- (f) Changes in the value of reserve balances; and
- (g) Sensitivity analysis (changes most likely to affect the LTFP); and a
- (h) Strategic Asset Management Planning
- (i) An analysis of the impact of future changes in services levels;
- (j) An explanation of the strategic financial direction and rationale underpinning the Plan;
- (k) Details of strategic initiatives contained within the Plan; and
- (l) Strategic financial parameters and targets.

2. Planning Principles

LTFP Principles are based on:

- (a) Future financial viability of the Shire;
- (b) Optimal revenue collection, taking into consideration the socio-economic environment;
- (c) Optimal utilisation of grant funding;
- (d) Continuous improvement and expansion in the quality-of-service delivery;
- (e) Ensuring asset management is sustainable; and
- (f) Borrowing only for substantial long-term assets at affordable levels.

3. Annual Budget

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The Annual Budget is developed from a base; being the first year of the Council's Adopted LTFP, in a form that is consistent with Regulations.

4. Annual Review

The review of the LTFP and Assurance Cycles Plan is to coincide with the annual budget process. Updates of the LTFP will include:

- (a) any direct change in financial status or internal factors, other than previously predicted, which may influence the financial status and viability of the Shire;
- (b) any changes in the economic and socio-economic environment, other than previously predicted, which may influence the financial status of the Shire;
- (c) any changes in the revenue base or composition which may have an impact on the financial viability of the Shire;
- (d) any changes in the community priorities as previously identified; and
- (e) any factors which may have an impact on the ability to implement previously identified projects.

Reference Information

- [Long-Term Financial Plan Guidelines](#) – Integrated Planning and Reporting – Department of Local Government, Sport and Cultural Industries.
- [Risk Management](#) (ADM18).

Legislation

- *Financial Management Act 2006*;
- *Local Government Act 1995*;
- *Local Government (Financial Management) Regulations 1996 (r.22)*;
- *Records Management Act 2000*.

Associated documents

10-year Assurance Cycles Plan.

[Infrastructure Asset Management Plan](#)

[Long-term Financial Plan](#)

Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	22/07/2014	Adopted	CEO/MCCS	Council

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Version No.	Date Issued	Review position	Developed by	Approved by
V2	22/1/2019	Reviewed	CEO/MCCS	Council
V3	27/10/2020	Reviewed	CEO/MCCS	Council
V4	21/12/2022	Reviewed	CEO/MCCS	Council

Document control information	
Document Theme	Finance
Document Category	Finance
Document Title	Long Term Financial Planning
Document ID	FIN18
Document Owner (position title)	Chief Executive Officer
Author (position title)	Manager Corporate & Community Services
Date of approval	
Approving authority	Council
Access restrictions	Nil
Date Published	
Date of last review	
Date of next review	
Archived antecedent documents and previous versions	Adopted OCM 22 July 2014 Reviewed OCM 22 January 2019 Reviewed OCM 27 October 2020

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Risk Management

Introduction

The Shire of Toodyay is exposed to a broad range of risks which could adversely impact the achievement of strategic community objectives.

This policy is intended to commit to organisation-wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes.

Application

This Policy applies to all risk processes within the Shire and is subject to regular monitoring through the Audit and Risk Committee and Council. This policy applies to all activities undertaken by officers, volunteers, contractors and elected members.

Policy Intent

This policy intends to create an environment where Council, management and staff accept direct responsibility for risk management, through development, implementation of and maintaining effective risk management practices. Risk management is the responsibility of everyone and will be treated as an integral part of the Shire's culture, policies and procedures.

This policy aims to develop and maintain an organisational culture which shows confidence in the use of risk assessment and management tools in:

- the effective and efficient delivery of agreed levels of service
- maintaining financial sustainability
- developing and maintaining an effective and positive relationship between Council and the community
- enabling the Council in partnership with the community, to make decisions for the community's future with a high level of confidence that key risks have been taken into account and where relevant, are being, or have been, mitigated.
- to ensure that appropriate risk assessment and management provisions are in place in order to satisfy statutory requirements and identified risks mitigated.

Definitions

Explain what terms within this policy mean. (example below)

Term	Definition
Act	<i>Local Government Act 1995.</i>
Audit & Risk Committee	Committee established under section 7.1A of the <i>Local Government Act 1995</i>
CEO	Chief Executive Officer

Term	Definition
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire's Standing Orders Local Law 2008</i> .
Regulations	Local Government (Administration) Regulations 1996.
Risk	Means "the effect of uncertainty on objectives." AS/NZS ISO 31000:2018. A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative, or a deviation from the expected. An objective may be financial, related to health and safety, or defined in other terms.
Risk Assessment	Means the process of applying risk management methodologies to assess the level of risk in a particular or general circumstance, activity or operation, or decision.
Risk Management	Means the application of coordinated activities to direct and control an organisation with regard to risk.
Shire	the Shire of Toodyay.

Principles

The Shire considers risk management to be an essential management function in its operations. The Shire is committed to the principles, framework and process of managing risk as outlined in AS/NZS ISO 31000:2018.

The Shire will manage risks continuously using a process involving the identification, analysis, evaluation, treatment, monitoring and review of risks. It will be applied to decision making through all levels of the organisation in relation to planning or executing any function, service or activity.

The Shire will consider the following key principles for effective risk management:

- (a) Integrated - Risk management is an integral part of all organisational activities and will be considered in alignment with the Shire's strategic objectives.
- (b) Structured and comprehensive - A structured and comprehensive approach to risk management contributes to consistent and comparable results.
- (c) Customised - The risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.
- (d) Inclusive - Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
- (e) Dynamic - Risks can emerge, change or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges and responds to those changes and events in an appropriate and timely manner.

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- (f) Best available information - The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.
- (g) Culture - Human behaviour and culture significantly influence all aspects of risk management at all levels.
- (h) Continual improvement - Risk management is continually improved through learning and experience.

Framework

The Shire will develop and maintain a Risk Management Framework that underpins the principles of effective risk management and provides guidance to Council and staff. The framework will be subject to regular reviews every three years to coincide with the Reg 17 review to be undertaken in accordance the *Local Government (Audit) Regulations 1996*.

Reporting and Monitoring

The Shire will implement a robust reporting and recording system that will be regularly monitored to ensure close out of risks and identification of ongoing issues and trends. Risks will be reported to the Audit & Risk Committee and reviewed at least twice-yearly. Risks rated significant or extreme will be reported to the Audit and Risk Committee or Council at the earliest opportunity.

Reference Information

Nil.

Legislation

Local Government Act 1995 (WA)

Associated documents

AS/NZS ISO 31000:2018

Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	25/11/2014	Adoption	Manager Corporate & Community Services	Council CRN: 344/11/14.
V2	26/10/2021	Reviewed	Manager Corporate & Community Services	Council CRN:

Document control information	
Document Theme	Administration

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Risk Management

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Document control information	
Document Category	Administration
Document Title	Risk Management
Document ID	ADM18
Document Owner (position title)	Manager Corporate and Community Services
Author (position title)	Executive Services
Date of approval	26 October 2021 (CRN: 218/10/21)
Approving authority	Council
Access restrictions	Nil
Date Published	31/05/2022
Date of last review	Risk Tables – 24 Aug 2021 (CRN: 175/08/21) Whole Policy – 26 Oct 2021 (CRN: 218/10/21)
Date of next review	10 August 2022
Archived antecedent documents and previous versions	25 NOV 2014 (CRN: 344/11/14)

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Shire of Toodyay - Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	First aid injuries	Less than \$10,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential damage.	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries	\$10,001 - \$20,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 Days	\$20,001 - \$150,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 Days	\$150,001 - \$500,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than \$500,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact



Shire of Toodyay Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

Shire of Toodyay Risk Matrix						
Likelihood	Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

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Shire of Toodyay Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Senior Managers / CEO
EXTREME (20-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Shire of Toodyay Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is little scope for improvement.	Processes (Controls) operating as intended and / or aligned to Policies & Procedures; are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested.
Adequate	There is some scope for improvement.	Whilst some inadequacies have been identified; Processes (Controls) are in place, are being addressed / complied with and are subject to periodic review and testing.
Inadequate	A need for corrective and / or improvement actions exist.	Processes (Controls) not operating as intended, do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time.



Risk Management

Introduction

The Shire is exposed to a broad range of risks which could adversely impact the achievement of strategic community objectives.

Objective

This policy is intended to commit to organisation-wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes.

Scope

This Policy applies to all risk processes within the Shire and is subject to regular monitoring through the Audit and Risk Committee and Council. This policy applies to all activities undertaken by Members and Workers.

Definitions

Term	Definition
Act	<i>Local Government Act 1995.</i>
Audit & Risk Committee	Committee established under section 7.1A of the <i>Local Government Act 1995</i>
CEO	Chief Executive Officer
Council	The local government, responsible for making decisions in formal meetings held under the auspices of Part 5 of the <i>Local Government Act 1995</i> and under the <i>Shire's Standing Orders Local Law 2008</i> .
Executive Managers	The Managers defined as Senior Workers that Council resolved (Res. No. OCM026/03/22) to designate in accordance with section 5.37 of the <i>Local Government Act 1995</i> : <ul style="list-style-type: none"> • Manager Corporate and Community Services; • Manager Infrastructure and Assets; and • Manager Development and Regulation.
Members	In relation to a council or committee, a Council Member in the Act; Elected Member; or Councillor; or a member of the committee.
Regulations	Local Government (Administration) Regulations 1996.

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Term	Definition
Risk	“the effect of uncertainty on objectives.” AS/NZS ISO 31000:2018. A risk is often specified in terms of an event or circumstance and the consequences that may flow from it. An effect may be positive, negative, or a deviation from the expected. An objective may be financial, related to health and safety, or defined in other terms.
Risk Assessment	The process of applying risk management methodologies to assess the level of risk in a particular or general circumstance, activity or operation, or decision.
Risk Management	The application of coordinated activities to direct and control an organisation regarding risk.
Shire	the Shire of Toodyay.
Workers	Employees, contractors, and volunteers as per the WHS legislation.

Policy Statement

This policy intends to create an environment where Council, Executive Managers, and Workers accept direct responsibility for risk management, through development, implementation of and maintaining effective risk management practices. Risk management is the responsibility of everyone and will be treated as an integral part of the Shire’s culture, policies and procedures.

This policy aims to develop and maintain an organisational culture which shows confidence in the use of risk assessment and management tools in:

- the effective and efficient delivery of agreed levels of service;
- maintaining financial sustainability;
- developing and maintaining an effective and positive relationship between Council and the community;
- enabling the Council in partnership with the community, to make decisions for the community’s future with a high level of confidence that key risks have been taken into account and where relevant, are being, or have been, mitigated;
- to ensure that appropriate risk assessment and management provisions are in place in order to satisfy statutory requirements and identified risks mitigated.

Principles

The Shire considers risk management to be an essential management function in its operations. The Shire is committed to the principles, framework and process of managing risk as outlined in AS/NZS ISO 31000:2018.

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The Shire will manage risks continuously using a process involving the identification, analysis, evaluation, treatment, monitoring and review of risks. It will be applied to decision making through all levels of the organisation in relation to planning or executing any function, service or activity.

The Shire will consider the following key principles for effective risk management:

- (a) Integrated - Risk management is an integral part of all organisational activities and will be considered in alignment with the Shire's strategic objectives.
- (b) Structured and comprehensive - A structured and comprehensive approach to risk management contributes to consistent and comparable results.
- (c) Customised - The risk management framework and process are customised and proportionate to the organisation's external and internal context related to its objectives.
- (d) Inclusive - Appropriate and timely involvement of stakeholders enables their knowledge, views and perceptions to be considered. This results in improved awareness and informed risk management.
- (e) Dynamic - Risks can emerge, change, or disappear as an organisation's external and internal context changes. Risk management anticipates, detects, acknowledges, and responds to those changes and events in an appropriate and timely manner.
- (f) Best available information - The inputs to risk management are based on historical and current information, as well as on future expectations. Risk management explicitly considers any limitations and uncertainties associated with such information and expectations. Information should be timely, clear and available to relevant stakeholders.
- (g) Culture - Human behaviour and culture significantly influence all aspects of risk management at all levels.
- (h) Continual improvement - Risk management is continually improved through learning and experience.

Framework

The Shire will develop and maintain a Risk Management Framework that underpins the principles of effective risk management and provides guidance to Council and staff. The framework will be subject to regular reviews every three years to coincide with the Reg 17 review to be undertaken in accordance the *Local Government (Audit) Regulations 1996*.

Reporting and Monitoring

The Shire will implement a robust reporting and recording system that will be regularly monitored to ensure close out of risks and identification of ongoing issues and trends.

Risks will be reported to the Audit & Risk Committee and reviewed at least twice-yearly. Risks rated significant or extreme will be reported to the Audit and Risk Committee or Council at the earliest opportunity.

Reference Information

- [AS/NZS ISO 31000:2018 Risk Management Guidelines](#)

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- Internal Control Policy (ADM19).
- Legislative Compliance Policy (ADM20).

Legislation

Local Government Act 1995 (WA)

Associated documents

Attachment A: Risk Management Tables

Version control information

Version No.	Date Issued	Review position	Developed by	Approved by
V1	25/11/2014	Adoption	Manager Corporate & Community Services	Council
V2	26/10/2021	Reviewed	Manager Corporate & Community Services	Council
V3	15/09/2022	Reformatted	Executive Services	
V4	29/09/2022	Reviewed	Chief Executive Officer	


Document control information	
Document Theme	Administration
Document Category	Administration
Document Title	Risk Management
Document ID	ADM18
Document Owner (position title)	Manager Corporate and Community Services
Author (position title)	Chief Executive Officer
Date of approval	26 October 2021 (CRN: 218/10/21)
Approving authority	Council
Access restrictions	Nil
Date Published	31 May 2022

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Document control information	
Date of last review	
Date of next review	
Archived antecedent documents and previous versions	25 NOV 2014 (CRN: 344/11/14) Risk Tables – 24 Aug 2021 (CRN: 175/08/21) Whole Policy – 26 Oct 2021 (CRN: 218/10/21)

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Council Policy: Risk Management Policy



Attachment A

Risk Tables

Shire of Toodyay - Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	First aid injuries	Less than \$10,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential damage.	Contained, reversible impact managed by on site response
Minor (2)	Medical type injuries	\$10,001 - \$20,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non compliances	Substantiated, low impact, low news item	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate (3)	Lost time injury <30 Days	\$20,001 - \$150,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Substantiated, public embarrassment, moderate impact, moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major (4)	Lost time injury >30 Days	\$150,001 - \$500,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Substantiated, public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic (5)	Fatality, permanent disability	More than \$500,000	Indeterminate prolonged interruption of services – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages or penalties	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution Complete loss of plant, equipment & building	Uncontained, irreversible impact

24 Aug 2021 (CRN: 175/08/21)
Attachment A – to Risk Management Policy

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Shire of Toodyay Measures of Likelihood			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

Shire of Toodyay Risk Matrix						
Likelihood	Consequence	Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

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Shire of Toodyay Risk Acceptance Criteria			
Risk Rank	Description	Criteria	Responsibility
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Executive Managers / CEO
EXTREME (20-25)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council

Shire of Toodyay Existing Controls Ratings		
Rating	Foreseeable	Description
Effective	There is little scope for improvement.	Processes (Controls) operating as intended and / or aligned to Policies & Procedures; are subject to ongoing maintenance and monitoring and are being continuously reviewed and tested.
Adequate	There is some scope for improvement.	Whilst some inadequacies have been identified; Processes (Controls) are in place, are being addressed / complied with and are subject to periodic review and testing.
Inadequate	A need for corrective and / or improvement actions exist.	Processes (Controls) not operating as intended, do not exist, or are not being addressed / complied with, or have not been reviewed or tested for some time.

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 Attachment A – to Risk Management Policy

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