

Recommendation Status Report – July 2022	
Responsible Officer / Prepared by:	Deputy CEO/ Director Community and Organisational Development
Stakeholders:	Audit, Risk and Governance (ARG) Committee

Report Purpose

To provide the Audit, Risk and Governance (ARG) Committee with detailed status updates for **ONGOING** and **COMPLETE** HIGH and MODERATE internal audit recommendations within the Shire.

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Appendix 1: ONGOING – Status of Internal Audit Recommendations

Observation/Description	Fraud and corruption control plan [REF:62]
Risk Rating	HIGH
Report Title/Type	Fraud Prevention in Local Governments - OAG
Due	1/10/2020
Recommendation(s)	Develop a Fraud and Corruption Control Plan and review it at least once every two years
Agreed Management Action per original report	The Shire will build a framework for management of fraud with a view to integrate into ongoing awareness and training processes inclusive of periodic review
Directorate	Corporate Services
Area	Governance
Status Update - ONGOING	
<p>In March 2020, the Shire was asked to participate in the Public Sector Commission whole of government Integrity Practitioners Group. One of the key objectives of the group was to provide input to Western Australian Government Integrity Framework resources. Every public sector agency in Western Australia will eventually be required to have an integrity framework that accords with the PSC's guidance material.</p> <p>Work on the Shire's own integrity framework was held off until while the Shire provided input into the PSC's preparation of whole of government advice. The resources were published in December 2021 with a Shire Officer participating in an expert panel at Dumas House.</p> <p>With the whole of government standards and resources now published, drafting of the Shire's Integrity Framework has commenced and is anticipated to be advanced in 2022-23.</p>	

Appendix 2: COMPLETE – Status of Internal Audit Recommendations

Observation/Description	Progressing the workforce plan [REF:86]
Risk Rating	HIGH
Report Title/Type	Workforce Management - Internal Audit
Due	COMPLETE
Recommendation(s)	<ol style="list-style-type: none"> 1. The draft Plan progress to an endorsed stage and shared within the organisation. 2. The draft Plan progressively work towards maturity of 'achieving standard' per the Integrated Planning and Reporting - Framework and Guidelines. 3. Translate the Plan into actionable items to monitor / alignment with the Corporate Business Plan for tracking, reporting and monitoring (Corporate Business Planning processes can be used as a reference point for approaches to monitoring and reporting).
Agreed Management Action per original report	<ul style="list-style-type: none"> • Draft plan will be progressed with due consideration of the observations and working towards the principles of 'achieving standard'. • The draft plan was developed to accommodate the rapidly changing environment within the Shire (i.e. staff turnover and organisational growth). The plan is considered an enabler for a supporting work plan / activities, which will outline operational activities designed to link back to areas such as the long term financial plan.
Directorate	Community and Organisational Development
Area	People, Development and Wellbeing
Status Update - COMPLETE	
<p>The Shire of Serpentine Jarrahdale Organisational Development Road Map was endorsed by Council on 19 October 2020 (CR20/249).</p> <p>The revised version was endorsed by Council on 9 July 2021 (CR21/167), minor changes made to dates for delivery due to prioritisation of COVID-19 response.</p> <p>The Organisational Development Road Map actions have been captured in the Corporate Business Plan, Organisational Strategic Risk Register and People, Development and Wellbeing Service Team Plan as relevant.</p> <p>It is proposed to review the document in the 2022/2023 financial year in order to capture and reflect significant changes in the organisation and ways of working that have resulted particularly from the COVID-19 environment and increased levels of flexibility in working arrangements.</p>	

Observation/Description	Roles and Responsibilities [REF:99]
Risk Rating	HIGH
Report Title/Type	Complaints Management - Internal Audit
Due	COMPLETE
Recommendation(s)	<ol style="list-style-type: none"> 1. Roles and responsibilities in relation to complaints management be clarified and documented, this may include consideration of: <ol style="list-style-type: none"> a. Centralised model with a senior staff member nominated and operational staff operating a triage type processes with oversight of the complaints processes, b. De-centralised model, clear senior responsibility for reporting, monitoring and lessons learned for the processes equipped through clearer policies and procedures, c. Other options as identified.
Agreed Management Action per original report	<ul style="list-style-type: none"> • Research will be undertaken in relation to potential approaches detailed in the recommendation including identifying models used by other Local Governments. • Based on preliminary information gathered, obtain strategic direction with Management Team and Executive Management Group to identify preferred approach.
Directorate	Community and Organisational Development
Area	Communications and Customer Engagement
Status Update - COMPLETE	
<p>Council endorsed Council Policy Complaints Resolution on 20 September 2021.</p> <p>Implementing option 1a, a centralised model whereby the Coordinator Customer Service will coordinate all complaints in scope of the Shire's Complaints Resolution Policy.</p>	

Observation/Description	Complaints Policy [REF:100]
Risk Rating	HIGH
Report Title/Type	Complaints Management - Internal Audit
Due	COMPLETE
Recommendation(s)	<ol style="list-style-type: none"> 1. Enhance the Council Policy to include coverage of the following: <ol style="list-style-type: none"> a. Update the policy to ensure it reflects current / revised processes, b. Document clear definition with due consideration of complaints, disputes, requests for service, information and feedback, c. Document decisions in relation to progressing roles and responsibilities in line with Detailed Audit Observation 4.1
Agreed Management Action per original report	Activities will be undertaken in accordance with recommendations detailed.
Directorate	Community and Organisational Development
Area	Communications and Customer Engagement
Previous status update	
<p>Update April 2020: Ongoing, recent revised internal roles and responsibilities have been established for complaints management. Likely impact to timeframes due to COVID-19.</p>	
Status Update - COMPLETE	
<p>Council endorsed Council Policy Complaints Resolution on 20 September 2021.</p> <ol style="list-style-type: none"> 1a. The policy has been updated to reflect contemporary complaints handling and resolution processes. 1b. The revised policy provides definitions and how complaints will be handled and how feedback will be used. 1c. The revised policy proposes quarterly reporting to the Shire's Executive Management Group is implemented outlining complaint trends, outcomes and mitigation strategies. 	

Observation/Description	Business Operating Policy (BOP) and supporting processes [REF:101]
Risk Rating	HIGH
Report Title/Type	Complaints Management - Internal Audit
Due	COMPLETE
Recommendation(s)	<ol style="list-style-type: none"> 1. Develop a complaints management BOP, this should include consideration of areas listed in the Detailed Observations and Management Actions. 2. Processes be used to inform operational processes for Shire administration and Council / Councillor related complaints. 3. Supporting guidelines, forms and instructions should then be developed to support the above
Agreed Management Action per original report	<p>Shires administration</p> <ul style="list-style-type: none"> • Activities will be undertaken in accordance with recommendations detailed. <p>Council / Councillor complaints</p> <ul style="list-style-type: none"> • Opportunities to strengthen the BOP have been identified • Revision will need to consider the Local Government Act Review which covers specifically the upcoming statewide code of conduct for Councilors
Directorate	Community and Organisational Development
Area	Communications and Customer Engagement
Status Update - COMPLETE	
<ol style="list-style-type: none"> 1. A Complaint Resolution Business Operating Procedure has been developed and endorsed by the Executive Management Group on 18 January 2022. The BOP includes flow charts to guide staff management of complaints. 2. The Shire's CRM system is used for receiving and managing feedback and complaints. 3. Complaints relating to Councillors continues to be managed in line with The Local Government (Rules of Conduct) Regulations 2007. 	

Observation/Description	Complaints Testing [REF:102]
Risk Rating	HIGH
Report Title/Type	Complaints Management - Internal Audit
Due	COMPLETE
Recommendation(s)	<ol style="list-style-type: none"> 1. Enhance processes to allow better tracking and management of complaints within the organisation, this should include consideration of: <ul style="list-style-type: none"> • Processes and systems to enable clear capture and tracking of complaints, disputes, requests for service, information and feedback. 2. Establish centralised complaints register(s) in relation to Shire administration complaints. 3. Once revised policy, business operating procedure and processes are in place, activities are undertaken to monitor, report and review complaints data within the organisation.
Agreed Management Action per original report	<p>Shires administration</p> <ul style="list-style-type: none"> • Activities will be undertaken in accordance with recommendations detailed. <p>Council / Councillor complaints</p> <ul style="list-style-type: none"> • Opportunities to strengthen the BOP have been identified • Revision will need to consider the Local Government Act Review which covers specifically the upcoming statewide code of conduct for Councilors
Directorate	Community and Organisational Development
Area	Community Services
Status Update - COMPLETE	
<ol style="list-style-type: none"> 1. The Shire's CRM system is used for receiving and managing feedback and complaints. 2. A Feedback Register has been established within the Shire's record keeping system, Content Manager (CM). 3. The revised policy includes the requirement to report quarterly to the Shire's Executive Management Group is implemented outlining complaint trends, outcomes and mitigation strategies. This has been occurring on a quarterly basis. 	

Observation/Description	Fraud awareness training [REF:63]
Risk Rating	Moderate
Report Title/Type	Fraud Prevention in Local Governments - OAG
Due	COMPLETE
Recommendation(s)	Develop and implement a periodic fraud awareness training program for all staff
Agreed Management Action per original report	The Shire is in the process of implementing a learning and development management system. Induction and code of conduct are scheduled to be the initial modules to be implemented. The modules will be required on a periodic basis and be supported with audit trails and electronic signatures for tracking attendance.
Directorate	Corporate Services
Area	Governance
Status Update - COMPLETE	
<p>Since the agreement to this action, the Litmos learning system was launched. Governance has contributed to the following modules:</p> <ul style="list-style-type: none"> • Employee Code of Conduct • Conflicts of Interest • Governance Induction Overview • Governance Induction Presentation • New staff induction • Purchasing and Procurement Refresher Training <p>Successful fraud awareness raising events have been held on anti-corruption day (9 December) 2020 and 2021 with the themes of 'don't get your hand caught in the cookie jar' and 'corruption cake bakeoff'.</p>	

Observation/Description	Guidance for oversight and usage of delegation data in the ROD [REF:2]
Risk Rating	Moderate
Report Title/Type	Compliance Audit Return 2018 Report Review - Internal Audit
Due	COMPLETE
Recommendation(s)	1. Guidance be developed to clearly articulate varying roles and responsibilities in practical usage of the ROD (i.e. general guidance, entering on behalf of others, periodic integrity checking, review)
Agreed Management Action per original report	Development of a Delegations Business Operating Procedure.
Directorate	Corporate Services
Area	Governance
Status Update - COMPLETE	
This was completed in the form of instructions at the start of the published delegations register. No BOP was required.	

Observation/Description	Recording delegation information outside of the ROD [REF:3]
Risk Rating	Moderate
Report Title/Type	Compliance Audit Return 2018 Report Review - Internal Audit
Due	COMPLETE
Recommendation(s)	As part of the ongoing Register of Delegations, review being undertaken by Governance, consider the relationship between delegations recorded within the ROD and those recording in systems and processes managed outside with a view to reduce double recording / handling.
Agreed Management Action per original report	As part of the 2018-19 review of the Shire's Delegated Authority Register, amend the relevant delegations conditions to reflect the correct recording system.
Directorate	Corporate Services
Area	Governance

Status Update - COMPLETE

Register of delegations and authorisation was amended and is adopted by Council on an annual basis.

Observation/Description	Risk Assessment Matrix - agenda report [REF:19]
Risk Rating	Moderate
Report Title/Type	Governance Health Review - Gary Martin - Review - External
Due	COMPLETE
Recommendation(s)	Commencing August 2017 the Risk Assessment Matrix will form part of every agenda item report in accordance with Council decision OCM233/12/16 <ul style="list-style-type: none"> - Any item with a risk rating of greater than "10" categorised as either "High" or "Extreme Risk", and apparent to be ongoing, will be listed on the Shire's Risk Register.
Agreed Management Action per original report	Note: Original management action no longer valid due to repositioning of risk into Governance.
Directorate	Corporate Services
Area	Governance
Status Update - COMPLETE	
<ul style="list-style-type: none"> • Information is currently maintained in the Shire of Serpentine Jarrahdale Strategic Risk Register. • Ongoing recording and review the recommendation as risk processes progress in accordance with 'Maturing the Risk Frameworks'. 	

Observation/Description	Risk Assessment Matrix / Register [REF:18]
Risk Rating	HIGH
Report Title/Type	Governance Health Review - Gary Martin - Review - External
Due	COMPLETE
Recommendation(s)	<ul style="list-style-type: none"> - It is recommended that the Risk Assessment Matrix be subject to monthly review by senior management (page 8). - The Risk Register will be reviewed by Executive Management Group and will be a standing item on the agenda for each Audit, Risk and Governance Committee meeting. - It important that the elected member (the Council) identify and quantify their position or risk appetite as part of this process.
Agreed Management Action per original report	Note: Original management action no longer valid due to repositioning of risk into the Governance area.
Directorate	Corporate Services
Area	Governance
Status Update - COMPLETE	
<ul style="list-style-type: none"> • In 2019 the Maturing the Risk Frameworks at the Shire of Serpentine Jarrahdale was developed to guide a strategic approach to management of the risk frameworks. This included development of risk appetites and a Strategic Risk Register. • The Strategic Risk Register is updated quarterly and provided to ARG and Council for consideration. 	