



**Notice is given that an Ordinary Meeting of Council of the Shire of Christmas Island is to be held at the Council Chambers on **Tuesday 26 October 2021** commencing at 7.00pm**

David Price  
Chief Executive Officer

## **AGENDA**

- 1 Declaration of Opening of Meeting/Announcement of Visitor**
- 2 Record of Attendance/Apologies/Leave of Absence/Declaration of Financial/Proximity/Impartiality Interests**
  - 2.1 Attendance
  - 2.2 Leave of Absence
  - 2.3 Apologies
  - 2.4 Declaration of Interests
- 3 Response to Previous Public Questions Taken on Notice**
- 4 Public Question Time**
- 5 Applications for Leave of Absence**
- 6 Petitions/Deputations/Presentations**
- 7 Confirmation of Minutes of Previous Meetings/Business arising from the Minutes of Previous Meetings**
  - 7.1 Minutes of Ordinary Council Meeting held on 28 September 2021 (pg 1-5)
  - 7.2 Minutes of Special Council Meeting held on 18 October 2021 (pg 6-9)
  - 7.3 Business Arising from the Minutes of Previous Meetings
- 8 Announcements by Presiding Member Without Discussion**
- 9 Reports of Committees**
- 10 Reports of Officers**
  - 10.1 Chief Executive Officer**
    - 10.1.1 Review of Council Committees (pg 10-18)
  - 10.2 Manager Finance & Administration**
    - 10.2.1 Schedule of Accounts – September 2021 (pg 19-25)
    - 10.2.2 Financial Statements – September 2021 (pg 26-30)
    - 10.2.3 Outstanding Rates/Debtors Report 30 September 2021 (pg 31-32)
  - 10.3 Manager Community/Recreation Services & Training**
  - 10.4 Manager Works, Services & Waste**
  - 10.5 Manager Governance Research Policy & Grants**
    - 10.5.1 Regulation 17 Review (pg 33-84)
- 11 Elected Members Motions of which Previous Notice has been given**
- 12 New Business of an Urgent Nature Introduced by Decision of the Meeting**
- 13 Behind Closed Doors**
  - 13.1 CEO Performance Appraisal (to be table)
- 14 Closure of Meeting**
- 15 Date of the next Ordinary Meeting**  
**16 November 2021**



## **UNCONFIRMED MINUTES**

**Ordinary Meeting of the Shire of Christmas Island held at the George Fam Chambers at 7.00pm on Tuesday 28 September 2021**

### **1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

- 1.1 The Shire President declared the meeting open at 7.08pm.

### **2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE/DECLARATIONS OF FINANCIAL INTEREST**

- 2.1 Record of Attendance

Shire President

Deputy President

Councillors

Cr Gordon **THOMSON**

Cr Kee Heng **FOO**

Cr Philip **WOO**

Cr Kelvin Kok Bin **LEE**

Cr Hafiz **MASLI**

Cr Morgan Boon Hwa **SOH**

Cr Farzian **ZAINAL**

Cr Azmi **YON**

Cr Vincent Cheng-Siew **SAW**

Chief Executive Officer

Manager Finance and Admin

Manager Community/Recreation Services

Manager Works, Services & Waste

David **PRICE**

So Hon **GAN**

Olivier **LINES**

Graeme **HEDDITCH**

- 2.2 **Leave of Absence**

- 2.3 **Apologies**

- 2.4 **Declarations of Financial/Impartiality/Proximity Interest**

Crs THOMSON, FOO, WOO, LEE, MASLI, SOH, YON and SAW all declared a proximity interest in agenda item 10.1.1

Crs FOO, LEE, MASLI, YON and WOO all declared a financial interest in agenda item 10.1.5

### **3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

### **4 PUBLIC QUESTION TIME**

Cr ZAINAL asked if the proposed road works for Dolly/Greta Beach Road could be postponed for a week due to the number of visitors on the Island for Territory day. The Manager for Works and Services indicated that it was necessary to have the work scheduled within the Public Notice period to ensure the completion of the sealing works before the wet season.

### **5 APPLICATIONS FOR LEAVE OF ABSENCE**

- 5.1 Application for Leave of Absence-Cr Woo

#### **Council Resolution**

**Moved: Cr YON**

**Seconded: Cr FOO**

**Res. No: 79/21**

That Cr WOO be granted Leave of Absence from 15th October 2021 to 26th October 2021

**Carried: 9/0**

## **6 PETITIONS/DEPUTATIONS/PRESENTATIONS**

## **7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS/BUSINESS ARISING FROM THE MINUTES OF PREVIOUS MEETINGS**

### **7.1 Minutes of Ordinary Council Meeting held on 24 August 2021**

Members considered the unconfirmed minutes.

#### **Council Resolution**

**Moved: Cr FOO**

**Seconded: Cr WOO**

**Res. No: 80/21**

That Council adopt the unconfirmed minutes of the 24 August 2021 Council Meeting.

**Carried: 9/0**

### **7.2 Business Arising from the Minutes of Previous Meetings**

## **8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

- 8.1 Voting on the Christmas Island Bag Limits Fishing Ordinance 2021 Letters exchanged between the Shire, 23 September 2021, and Assistant Minister Nola Marino, 24 September, have been circulated to members of Council, CCC members and Fisheries Management Committee members.

The ballot of all Island residents will be conducted in the week commencing 18 October. Islanders can Vote at the Shire Library from Monday 18 October to Friday 22 October and on Saturday 23 October at the Poon Saan Community Hall.

- 8.2 The Marine Park proposals for Christmas Island and Cocos (Keeling) Islands are subject to public comment. The government hopes to make a declaration of the Marine Parks in the new year. Please refer to the Department of Environment website for details about making submissions and participating in the public consultation period.
- 8.3 Territory Week kicks off this week-end. The official opening ceremony at the CLA Foreshore on Friday 1 October at 6:30PM will feature traditional performances of Lion Dance, Kumpang, Silat, Chinese and Malay Dances and performances by our Special Guests from the Cocos (Keeling) Islands.

Please refer to your Territory Week programme for details of the full week of activities. The programme was included as an enclosure in *The Islander*, Issue Number 743 of 10 September 2021 and notices in *The Islander*, Issue Number 744 of 24 September.

- 8.4 The official opening of the Foreshore Padang kicks off at 2:30PM this Saturday 2 October with music and a sausage sizzle. I would like to record the Council's appreciation of the work of our Shire staff, planners and designers and contractors who have delivered this much needed community recreation area from our own resources.
- 8.5 The Christmas Island Marathon was a great success. I would like to record the Council's great appreciation of the work of our Shire staff, Parks and Gardens and Civil Works teams, Darren, Garry, Wei, Suzane, Rostyna, Ling, Shazmin and Chris who were led admirably by Olivier Lines. It was a great event that engaged many volunteers from community organisations and services, individuals and councillors to make it all work. Thank you one and all.
- 8.6 I would like to record the Council's appreciation of the Civil Works department's achievements in the completion of the major roadworks on Lily Beach Road and the commencement of the construction of the new section of Dolly Beach Road that will provide a safer transit of the steep decline to the lower shore section of Dolly Beach Road when the work is completed. This has been a long time coming. Congratulate the CEO, managers and staff in obtaining the funding and committing to the mobilisation of staff and resources required to resolve this historical problem.

8.7 I have received a letter from the Youth Affairs Council of WA and the Multicultural Youth Advocacy Network of WA and their Report 2020 Christmas Island 'Youth Taking Charge' Youth Summit. This is a powerful report of our Island Youth's deliberations on the issues of concern to them. The letter invites the Shire Council to amplify the voice of young Christmas Islanders as they pursue the issues of concern for them. The Report contains some recommendations about how the Shire might contribute to the resolution of some of those issues. The Council needs to engage directly with the youth of Christmas Island. The Report and requests made to the Shire should be the subject of a future report to Council about actions Council might take in response to the Report. As tonight's Council meeting will be the last Ordinary Council meeting before the Shire Election on 16 October, it will be a matter for the next Council to determine what actions the Council will take in response to the Report.

8.8 I thank the CEO and all of the staff of the Shire for your dedication to the performance of your work for the people of the Island. Your work is our glory. Thank you.

I thank Councillors for your participation and service to the community as members of the Council. I would like to record my appreciation of your courtesy, support and commitment to the business of our Council. I will be a candidate in the election. I hope to see you all again in this Chamber after the Election.

## **9 REPORTS OF COMMITTEES**

## **10 REPORTS OF OFFICERS**

### **10.1 Chief Executive Officer**

#### **10.1.1 Proposed Shire of Christmas Island – UCIW Enterprise Agreement 2021-2023**

##### **Council Resolution**

**Moved: Cr YON**

**Seconded: Cr LEE**

**Res. No: 81/21**

That:

1. The proposed Shire of Christmas Island – Union of Christmas Island Workers Enterprise Agreement 2021-2023 as tabled is noted.
2. Council adopts the proposed Shire of Christmas Island – Union of Christmas Island Workers Enterprise Agreement 2021-2023 and,
3. Council authorise the Chief Executive Officer to ensure the Pre-Approval steps are carried out, and to sign and lodge the Shire of Christmas Island – Union of Christmas Island Workers Enterprise Agreement 2021-2023 with Fair Work Australia once those Pre-Approval steps have been completed and the employees have voted to endorse the agreement.

**Carried: 9/0**

#### **10.1.2 Appointment of Acting CEO**

##### **Council Resolution**

**Moved: Cr YON**

**Seconded: Cr MASLI**

**Res. No: 82/21**

That Council appoints the Manager Finance and Administration, Ms Gan So Hon as Acting Chief Executive Officer for the periods 25th October 2021 to 29th October 2021 and that the applicable higher duties apply.

**Carried: 9/0**

### **7.50pm**

Crs FOO, LEE, MASLI, YON and WOO declared a Financial Interest in Agenda Item 10.1.5 and left the meeting.

#### **10.1.5 Proposed Amendment to the Light Industrial Area**

**Council Resolution****Moved: Cr****Seconded: Cr****Res. No: /21**

- a) Council endorses the SOCI recommendations in response to:
- the 14 April 2021 Phosphate Resources Ltd. (PRL) submission and
  - the 6 May 2021 Eco Crab Industries (ECI) submission
- both made in relation to the March 2021 Proposed Amendment to the Light Industrial Area.
- b) The SOCI to issue attachment 10.1.1.2. to PRL and attachment 10.1.1.3. to ECI as formal response to their respective submission.
- c) Council endorses the June 2021 Proposed Amendment to the Light Industrial Area (The Report) and its proposed Actions as input into the Christmas island Strategic Assessment (CISA) Land Use Plan (LUP), the Review of the 2015 Local Planning Strategy and ultimately the formulation of the Local Planning Scheme No.3 (LPS No.3).
- d) The SOCI to issue the endorsed Report to the DITRDC as SOCI's formal input into the CISA Land Use Plan for the LIA, Hospital, Taman Sweetland Circuit and Phosphate Hill Historic areas.
- e) The SOCI to formally engage with the DITRDC to progress Actions 1 and 2 on page 8 of the Report.

**Carried: /0**

The motion was not able to be considered due to the meeting not having a quorum of Councillors in attendance.

**7.50pm**

Crs FOO, LEE, MASLI, YON and WOO returned to the meeting.

**10.2 Manager Finance & Administration****10.2.1 Schedule of Accounts – August 2021****Council Resolution****Moved: Cr LEE****Seconded: Cr SAW****Res. No: 83/21**

That Council approves the expenditure as presented in August 2021 Schedule of Accounts

**Carried: 9/0****10.2.2 Financial Statements - August 2021****Council Resolution****Moved: Cr MASLI****Seconded: Cr WOO****Res. No: 84/21**

That Council receives the Financial Statements of August 2021 for the Municipal Fund.

**Carried: 9/0****10.2.3 Assets Write Off 2020/21****Council Resolution****Moved: Cr SOH****Seconded: Cr LEE****Res. No: 85/21**

Council approves to write off the assets of 2020/21 as set out in the attachment to this report.

**Carried: 9/0**

- 10.3 Manager Community/Recreation Services & Training**
- 10.4 Manager Works, Services & Waste**
- 10.5 Manager Governance, Research, Policy & Grants**
- 11 ELECTED MEMBERS MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 12 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING**
- 13 BEHIND CLOSED DOORS**
- 14 CLOSURE OF MEETING**  
The Shire President closed the meeting at 8.10pm
- 15 DATE OF NEXT MEETING: 26 October 2021**



## **UNCONFIRMED MINUTES**

**Special Meeting of the Shire of Christmas Island held at the George Fam Chambers at 10.00am on Monday 18 October 2021**

### **1 DECLARATION OF OPENING**

- 1.1 The Chief Executive Officer (CEO), David Price declared the meeting opened at 10.00 am.

### **2 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE/DECLARATIONS OF INTEREST**

#### **2.1 Record of Attendance**

Chief Executive Officer/Returning Officer

David **PRICE**

Councillors

Cr Kelvin Kok Bin **LEE**  
Cr Morgan Boon Hwa **SOH**  
Cr Farzian **ZAINAL**  
Cr Azmi **YON**

Newly Elected Councillors

Cr Gordon **THOMSON**  
Cr Kee Heng **FOO**  
Cr Hafiz **MASLI**  
Cr Vincent Cheng-Siew **SAW**

Manager Research, Policy, Governance & Grants/Minute Taker

Chris **SU**

#### **2.2 Leave of Absence**

Cr Philip **WOO**

#### **2.3 Apologies**

Nil

### **3 Declarations of Financial/Impartiality/Proximity Interest**

Nil

### **4 PUBLIC QUESTION TIME**

Nil

### **5 BUSINESS OF THE MEETING**

#### **5.1 Swearing in of newly elected Councillors**

- 5.1.1 Councillor Gordon **THOMSON** was called upon by the CEO to complete his declaration as an elected member to take the office and to duly, faithfully, honestly and with integrity fulfil the duties of the office for the people in the district according to the best of his judgement and ability and to observe the code of conduct adopted by the Shire of Christmas Island under section 5.103 of the Local Government Act 1995 (WA)(CI).

Councillor Gordon **THOMSON** was sworn in for a four year term, ending October 18<sup>th</sup> 2025.

- 5.1.2 Councillor **FOO** Kee Heng was called upon by the CEO to complete his declaration as an elected member to take the office and to duly, faithfully, honestly and with integrity fulfil the duties of the office for the people in the district according to the best of his judgement and ability and to observe the code of conduct adopted by the Shire of Christmas Island under section 5.103 of the Local Government Act 1995 (WA)(CI).

Councillor **FOO** Kee Heng was sworn in for a four year term, ending October 18<sup>th</sup> 2025.

- 5.1.3 Councillor Hafiz **MASLI** was called upon by the CEO to complete his declaration as an elected member to take the office and to duly, faithfully, honestly and with integrity fulfil the duties of the office for the people in the district according to the best of his judgement and ability and to observe the code of conduct adopted by the Shire of Christmas Island under section 5.103 of the Local Government Act 1995 (WA)(CI).

Councillor Hafiz **MASLI** was sworn in for a four year term, ending October 18<sup>th</sup> 2025.

- 5.1.4 Councillor Vincent **SAW** Cheng Siew was called upon by the CEO to complete his declaration as an elected member to take the office and to duly, faithfully, honestly and with integrity fulfil the duties of the office for the people in the district according to the best of his judgement and ability and to observe the code of conduct adopted by the Shire of Christmas Island under section 5.103 of the Local Government Act 1995 (WA)(CI).

Councillor Vincent **SAW** Cheng Siew was sworn in for a four year term, ending October 18<sup>th</sup> 2025.

- 5.1.5 The CEO advised that Councillor Phillip WOO was in Perth and would take up the declaration with an approved officer at DLGSCI or upon return to Christmas Island at the end of the week at the Shire.

## 5.2 Election of Shire President

- 5.2.1 CEO called for nominations for Shire President as Returning Officer.

Cr Azmi **YON** nominated Cr Gordon **THOMSON** for Shire President. Cr Gordon **THOMSON** accepted the nomination.

No other nominations were received.

CEO as Returning Officer declared Cr Gordon **THOMSON** the Shire President.

- 5.2.2 Councillor Gordon **THOMSON** was called upon to complete his declaration as Shire President to take the office and to duly, faithfully, honestly and with integrity fulfil the duties of the office for the people in the district according to the best of his judgement and ability and to observe the code of conduct adopted by the Shire of Christmas Island under section 5.103 of the Local Government Act 1995 (WA)(CI).

Councillor Gordon **THOMSON** sworn in as President.

Shire President Gordon **THOMSON** takes over presiding the meeting from the CEO as Returning Officer.

## 5.3 Election of Deputy Shire President

- 5.3.1 Shire President Gordon **THOMSON** called for nominations for Deputy Shire President.

Cr Farzian **ZAINAL** nominated herself for the office of Deputy Shire President.

Cr Azmi **YON** nominated Cr **FOO** Kee Heng for the office of Deputy Shire President. Cr **FOO**

Kee Heng accepted the nomination.

No other nominations were received.

The CEO as Returning Officer requested that Council adjourn the meeting to allow for him to create ballot papers to for the election of the office of Deputy Shire President.

Meeting adjourned at 10:12am



Meeting reconvened at 10.15am

- 5.3.2 CEO as Returning Officer issued ballot papers to all eight Councillors for the election of Deputy Shire President.

All eight Councillors marked their preference and returned their ballot papers to the CEO as Returning Officer.

CEO as Returning Officer declared the results as Farzian **ZAINAL**, one vote and Cr **FOO** Kee Heng, 7 votes. CEO declared Cr **FOO** Kee Heng as having won and declared Cr **FOO** Kee Heng as the Deputy Shire President.

- 5.3.3 Councillor **FOO** Kee Heng was called upon by the CEO to complete his declaration as Deputy Shire President to take the office and to duly, faithfully, honestly and with integrity fulfil the duties of the office for the people in the district according to the best of his judgement and ability and to observe the code of conduct adopted by the Shire of Christmas Island under section 5.103 of the Local Government Act 1995 (WA)(CI).

Councillor FOO Kee Heng sworn in as Deputy President.

#### 5.4 Election of Committee Members

Council Resolution	Council Resolution	
Moved: Cr YON	Moved: Cr YON	Res. No: 86/21
The item for Election of Committee Members is to be deferred to the Ordinary Council Meeting on 26 October 2021.		
Carried:	8/0	

#### 5.5 Seating Arrangements

Council Resolution	Council Resolution	
Moved: Cr YON	Moved: Cr MASLI	Res. No: 87/21
That the established seating arrangements be maintained.		
Carried:	8/0	

#### 5.6 Special Meeting of Council 15 November 2021

Council Resolution	Council Resolution	
Moved: Cr LEE	Moved: Cr SAW	Res. No: 88/21
That Council in accordance with the Local Government Act 1995 Section 5.4(b) decides to hold a Special Meeting of Council on 15 November 2021 at 7pm.		
The only business for the Special Meeting of Council on 15 November 2021 is to be the Proposed Amendment to the Light Industrial Area.		
The CEO is requested under the Local Government Act 1995 Section 5.7(1) to seek the approval of the Minister to grant a reduced quorum from 5 to 4 for the Special Meeting of Council on 15 November 2021 if necessary		
Carried:	8/0	

Councillors FOO, MASLI, LEE and YON indicated in writing to the CEO that they were apologies for the Special Meeting on the 15<sup>th</sup> November 2021. The CEO also indicated that he had received a written apology from Cr WOO for the same meeting.

**6 CLOSURE OF MEETING**

The meeting closed at 10.37pm

**7 DATE OF THE NEXT ORDINARY MEETING**

7.1 The date of the next Council Meeting is 26 October 2021 at 7.00 pm.



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 October 2021
AGENDA REFERENCE	10.1.1
SUBJECT	Review of Council Committees
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	2.4.1, 2.4.2, 2.4.5, 2.4.6 2.4.7, 2.4.10, 2.4.11, 2.4.12
INTEREST DISCLOSURE	Nil
DATE OF REPORT	19 October 2021
AUTHOR	David Price, Chief Executive Officer
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATIONS

That Council resolves to appoint councillors to the following Committee's:

**1. Community Consultative Committee**

- a) Retain the Community Consultative Committee with the functions, membership and powers as established and shown in Attachment 1.\*
- b) Appoint Cr \_\_\_\_\_, Cr \_\_\_\_\_ and Cr \_\_\_\_\_ as the Councillor representatives on the Community Consultative Committee.\*
- c) Invite nominations representative from the member organisations of the Community Consultative Committee.

**2. Community Welfare Fund Management Committee**

- a) Retain the Community Welfare Fund Management Committee with the functions, membership and powers as established and shown in Attachment 1.\*
- b) Appoint Cr \_\_\_\_\_ and Cr \_\_\_\_\_ as the Councillor representatives on the Community Welfare Fund Management Committee.\*

**3. *The Islander* Editorial Group**

- a) Appoint the Shire President and Cr \_\_\_\_\_ as Councillor representatives on *The Islander* Editorial Group.

**4. Cemeteries Management Reference Group**

- a) Appoint Cr \_\_\_\_\_, Cr \_\_\_\_\_ and Cr \_\_\_\_\_ as the Councillor representatives on the Cemeteries Management Reference Group.
- b) Invite nominations for a serving representative from the member organisations of the Cemeteries Management Reference Group.

**5. Community Cultural Planning & Heritage Reference Group**

- a) Appoint Cr \_\_\_\_\_ as the Councillor representative on the Cultural Planning & Heritage Committee

**6. Transport, Land and Communications Committee**

- a) Retain the powers and functions as prescribed by section 5.10 of the Local Government Act (CI) 1995, and

- b) **Appoint Shire President \_\_\_\_\_, Cr \_\_\_\_\_, Cr \_\_\_\_\_, the Chief Executive Officer, the Manager Works and Services and the Manager Planning, Building and Health as Councillor and staff representatives in accordance with section 5.9 of the Local Government Act (CI) 1995\*.**

**7. Audit Committee**

- a) **That all current councillors be appointed to the Audit Committee in accordance with section 7.1A of the Local Government Act (CI) 1995.\***
- b) **Retain the powers and functions as prescribed by section 7.1A of the Local Government Act (CI) 1995 and,**
- c) **That the Manager Finance and Administration attend the Audit Committee meetings in the capacity as ex – officio.**

**8. Retain the Senior Citizens Centre Advisory Committee with the functions, membership and powers as established and shown in Attachment 1.**

- a) **Appoint Cr \_\_\_\_\_ and Manager of Recreation Services and Training as the Council representatives on the Senior Citizens Centre Advisory Committee. \***
- b) **Invite nominations for serving representative from the member organisation of the Christmas Island Seniors Association.**

**BACKGROUND**

The Local Government Act 1995 (WA) (CI) prescribes the requirements for establishing and administering Council committees. Tenure of the committee membership expired at the election held on 17 October 2015. The new Council is to decide which committees it wants to retain and to establish the committee membership. The Audit Committee is a mandatory appointment for a *minimum* of 3 all councillors in accordance with section 7.A1 of the Local Government Act (CI) 1995 although Council can resolve to have all councillors appointed. The CEO is not included as a member of the Audit Committee in accordance with section 7.1A (3) of the Local Government Act 1995 (WA) (CI).

In addition to committees, Council may establish other less formal groups such as concept forums. The Department of Local Government provides the following information on concept forums.

*Concept forums involve elected members and staff meeting to propose, discuss and formulate philosophies, ideas, strategies and concepts for the development of the local government and the district. Such forums often involve projects that are in the early planning stage and are some time away from being presented to council for decision. In discussing such issues, staffs are looking for guidance from the elected members as they research the matter and draft the report. Elected members and staff are also looking to present ideas and concepts for future consideration. If the response is favourable staff can proceed with their research and eventually report on the matter.*

**COMMENT**

- The Community Consultative Committee (CCC) has been operating effectively since establishment. However, some organisations have not been represented consistently over the past two years. The Commonwealth has withdrawn the annual funding grant for the CCC in 2013/14 and therefore Council operates the CCC as a *stand alone* committee of Council whereby no funding assistance is provided by the Commonwealth. The functions and current membership of the CCC are detailed in Attachment 1.

- The Community Welfare Fund (CWF) Management Committee is an expansion of the role of the Community Welfare Committee to include broader identification of welfare needs within its function. The functions and current membership are detailed in Attachment 1.
- The Cultural Planning & Heritage Committee was established in 2007 and has not met regularly. The functions and current membership are detailed in Attachment 1. Although the committee was disbanded in 2009, it is recommended by the CEO that the Committee be reformed as a Reference Group given the recent decision by Council to enter into the MOU with the National Trust WA and also because unfortunately the re-establishment of the CI Heritage Society Inc in 2012 has not consistently met since early 2013.
- *The Islander* Editorial Group oversees the editorial content of *The Islander* and is guided by *The Islander* Editorial Policy. The Group may invite any other person to assist or advise the group as required from time to time. This group is not a formal committee of Council but is what is known as a concept forum. Council has previously resolved to appoint Councillors to this group (that includes the Shire President), along with the CEO and MCS.
- It is proposed that the Cemeteries Management Reference Group continue although it has not met regularly. The Cemeteries Management Plan and its recommendations as a whole was endorsed at the Special Meeting of Council held on 8 October 2009. The functions of the reference group are to consider and make recommendations about the implementation of the Plan. The recent implementation of the 2009 CI Cemeteries Management Plan and the intended progress of the actions contained within the Plan occurred with the first stage of implementation being successfully completed throughout 2013 with the restoration and preservation of the public memorials on the Island until the recent completion of State 3 in September 2015.
- The establishment of an Audit Committee is mandatory under section 7.1A of the Local Government Act (CI) 1995. A minimum of 3 Councillors are required to be on the committee, however the previous arrangement has been to have all Councillors on the committee along with the Manager of Finance and Administration in an ex – officio capacity. The CEO is excluded from attending Audit Committee meetings.
- The Land Planning Committee was disbanded following the election of the Council in October 2009 and land planning matters are now included (from 2012 in the Transport, Land and Communications Committee.
- The Recreation Centre Committee was established in March 2008 and did not meet regularly. This committee is no longer required given the Commonwealth awarded the contract to manage the Centre to CASA Leisure in January 2016. The Committee could always be re-established should the situation change.
- The establishment of the Transport and Communication Committee (TCC) occurred in 2012 and was replaced by the Transport, Land and Communications Committee (TLCC) following the 2013 election.
- The Senior Citizens Centre Advisory Committee was established in June 2015 to manage the new Senior Citizens Centre when it is completed. It opened in January 2016 with the committee organising furniture fitout for the facility. The Committee consists of one councillor representative and the previous Manager of Community Services as well as four members of the Christmas Island Seniors

Association. The Manager of Recreation Services and Training and Manager for Governance, Research, Policy and Grants will assist this committee in 2020.

#### **STATUTORY ENVIRONMENT**

Sections 5.8, 5.9 and 5.10 of the Local Government Act 1995 (WA) (CI) and the SOCI Standing Orders Local Law 2000 apply. Council Committees are governed by a range of legislative requirements regarding the keeping of minutes, notice of meetings and delegations etc.

#### **POLICY IMPLICATIONS**

There are no significant policy implications arising from this matter. Council committees provide a formal means for input by Councillors, officers and community organisations into operational matters, some of which may relate to Council policy.

#### **FINANCIAL IMPLICATIONS**

There are no significant financial implications arising from this matter.

#### **STRATEGIC IMPLICATIONS & MILESTONES**

An overall goal of the Council is to work with others to achieve social, economic and physical environment outcomes and actions.

#### **CONSULTATION**

No consultation is required other than contact with nominated organisations inviting nomination for representation.

#### **VOTING REQUIREMENTS**

Where indicated by \* an Absolute Majority is required otherwise Simple Majority.

#### **ATTACHMENT**

1. Committees of Council – Name of Committee, functions, membership and powers.
2. Sections 5.8, 5.9 & 5.10 of the Local Government Act (CI) 1995

**ATTACHMENT 1.**

**COMMITTEES OF COUNCIL**

<b>COMMITTEE NAME</b>	<b>COMMITTEE FUNCTION (S)</b>	<b>COMMITTEE MEMBERS</b>	<b>COMMITTEE POWERS</b>
Community Consultative Committee (CCC)	<ul style="list-style-type: none"> <li>To review and make recommendations about the impact, application and administration of the applied WA laws on its own motion or by referral from Council or the CEO</li> <li>To review and make recommendations about the performance of WA government agencies providing services under formal or informal SDAs on its own motion or by referral from Council or the CEO</li> <li>To review and make recommendations about the application of Commonwealth law and "state-type services" provided by the Commonwealth on its own motion or by referral from Council or the CEO</li> <li>To review and make recommendations about any Council policy the subject of community consultation as referred to it by Council or the CEO</li> <li>To meet with Commonwealth and State Government representatives about the application of laws and service provision for information and feedback</li> <li>To establish sub-committees and working groups to facilitate consideration of any matter for report back to the committee</li> <li>To facilitate effective communication and information exchange between the Christmas Island community and the Minister for Territories.</li> <li>To provide advice on significant issues involving decisions by the Australian Government.</li> <li>To promote effective decision making about significant issues concerning the direction and development of Christmas Island.</li> <li>To promote engagement, cooperation and agreement between the Government and the community about decisions that have significant impact on the Island.</li> </ul>	<ul style="list-style-type: none"> <li>Shire President</li> <li>3 Councillors</li> <li>CEO</li> <li>Manager of Governance, Research, Policy and Grants</li> <li>Union of Christmas Island Workers (subject to endorsement by Council)</li> <li>Christmas Island Phosphates (subject to endorsement by Council)</li> <li>Chinese Literary Association (subject to endorsement by Council)</li> <li>Islamic Council (subject to endorsement by Council)</li> <li>CI Women's Association (subject to endorsement by Council)</li> <li>Poon Saan Club (subject to endorsement by Council)</li> <li>CI Malay Association (subject to endorsement by Council)</li> <li>Christmas Island Youth Association</li> <li>Christmas Island Neighbourhood Centre</li> </ul>	No delegated powers. Recommendation to Council for its decision.

<b>COMMITTEE NAME</b>	<b>COMMITTEE FUNCTION (S)</b>	<b>COMMITTEE MEMBERS</b>	<b>COMMITTEE POWERS</b>
Community Welfare Fund Management Committee	<p>1. Manage the Community Welfare Fund by:</p> <ul style="list-style-type: none"> <li>• Sourcing or recommending ways to obtain additional funds</li> <li>• Promoting the existence of the Fund and its assistance criteria</li> <li>• Assessing applications for welfare assistance in accordance with the guidelines</li> <li>• Approve grants under \$1,000 for applicants who the Committee deems requires assistance and report these approvals to Council</li> <li>• Recommend to Council welfare fund assistance to individuals/charitable organisations for amounts over \$1,000</li> </ul> <p>2. Identify areas of welfare need and recommend ways for the Council to meet these needs either directly or in partnership with others.</p>	<ul style="list-style-type: none"> <li>• 2 Councillors</li> <li>• Chief Executive Officer</li> </ul>	<p>Delegated power to decide amounts up to \$1,000. Recommendation to Council for its decision for amounts over \$1,000. Pursuant to s 5.23 of the Local Government Act 1995 (WA) (CI) these meetings are not open to the public as they concern the personal affairs of persons.</p> <p><b>Action Officer: CEO</b></p>
Community Cultural Planning & Heritage Committee	<ul style="list-style-type: none"> <li>• To provide advice to Council about Shire involvement in community cultural events and activities on its own motion or by referral from the CEO or Council</li> <li>• To make recommendations of a policy or practical nature about Shire support for cultural, artistic or heritage practices</li> <li>• To oversee the Territory Week Festival and other Shire approved initiatives</li> <li>• To liaise with Heritage Consultants engaged by the Shire or Commonwealth to provide advice and assist in research where possible</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Councillors</li> <li>• Manager of Recreation Services and Training</li> <li>• Manager of Governance, Research, Policy and Grants</li> </ul>	<p>No delegated powers. Recommendation to Council for its decision.</p> <p><b>Action Officer: MGRPG</b></p>
Audit Committee	<ul style="list-style-type: none"> <li>• Recommend the appointment of the auditor to Council (LGA section 7.3 (1))</li> <li>• Assist its auditor and ensure audits are conducted successfully and timely (LGA section 7.12 A (1))</li> <li>• Examine the audit report and ensuring appropriate action is taken (LGA section 7.12A (2))</li> <li>• Preparing reports on actions taken and forwarding to the Minister</li> <li>• Meet with its auditor at least once a year(LGA section 7.12 A (3))</li> </ul>	<ul style="list-style-type: none"> <li>• All Councillors</li> <li>• Manager Finance &amp; Administration (MFA as ex officio)</li> </ul>	<p>In accordance with Local Government Act 1995 (WA) (CI) Section 7.1A</p> <p><b>Action Officer: MFA</b></p>



COMMITTEE NAME	COMMITTEE FUNCTION (S)	COMMITTEE MEMBERS	COMMITTEE POWERS
Transport, Land & Communications Committee	<ul style="list-style-type: none"> <li>Review and make recommendations about any aspect of the Town Planning Scheme</li> <li>Review and make recommendations about the content and adoption of any local planning strategy or management/ precinct plans</li> <li>Consider and make recommendations about proposed amendments to the Christmas Island Town Planning Scheme</li> <li>Review and make recommendations about the content and adoption of any local planning or building policy</li> <li>Consider and make recommendations about matters concerning land use and economic development.</li> <li>Consider and make recommendations about matters concerning heritage impacts on land use and land management.</li> <li>Consider and make recommendations in regard to any roadworks matters that include capital and non capital projects</li> <li>Consider and make recommendations in regard to any other civil works and/or parks &amp; gardens matters</li> <li>Chair of Committee has approval to speak on behalf of the Committee and the Council</li> </ul>	<ul style="list-style-type: none"> <li>Shire President &amp; 2 Councillors</li> <li>CEO</li> <li>Manager Works &amp; Services (MWS)</li> <li>Manager Governance, Research, Policy and Grants</li> </ul>	<p>Delegated power in accordance with section 5.8 of the Local Government Act (CI) 1995 as a Standing Committee of Council.</p> <p><b>Action Officer: CEO</b></p>
Christmas Island Senior Citizens Centre Advisory Committee	<ul style="list-style-type: none"> <li>to ensure efficient and effective management of the Senior Citizens Centre;</li> <li>to encourage the provision of activities and services which reflect the diverse needs; and interests of older residents;</li> <li>to encourage maximum use of the Senior Citizens Centre;</li> <li>to provide information, advice and recommendations to Council on issues of concern to older people living or working on the Island;</li> <li>to enhance the quality of life for older people on the Island through improved services, access, and opportunity for communication and discussion.</li> </ul>	<ul style="list-style-type: none"> <li>1 councillor</li> <li>Manager of Recreation Services and Training</li> <li>4 members of the Christmas Island Seniors Association</li> </ul>	<ul style="list-style-type: none"> <li>No delegated power for any financial functions with recommendation to Council for decision.</li> <li>Committee to manage bookings of Centre.</li> </ul>

## FORUMS OF COUNCIL

FORUM NAME	FORUM FUNCTION (S)	FORUM MEMBERS	FORUM POWERS
<i>The Islander</i> Editorial Group	<ul style="list-style-type: none"> <li>To oversee the editorial content of <i>The Islander</i>. The group may invite any other person to assist or advise the group as required from time to time.</li> </ul>	<ul style="list-style-type: none"> <li>Shire President</li> <li>1 Councillor</li> <li>CEO</li> <li>Manager of Governance, Research, Policy and Grants</li> </ul>	<p>In the event of any disagreement the President as the Publisher of the newspaper, has the final decision on editorial content.</p> <p><b>Action Officer: CEO</b></p>
Cemeteries Management Reference Group	<ul style="list-style-type: none"> <li>To advise Council officers in the implementation of the Cemeteries Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>3 Councillors</li> <li>CEO</li> <li>Manager of Governance, Research, Policy and Grants</li> <li>Catholic Church representative (subject to endorsement of nomination by Council)</li> <li>Christian Fellowship representative (subject to endorsement of nomination by Council)</li> <li>Islamic Council representative (subject to endorsement of nomination by Council)</li> <li>Chinese Literary Association (subject to endorsement of nomination by Council)</li> </ul>	<p>No delegated power. Recommendation to Council for its decision.</p> <p><b>Action Officer: MGRPG</b></p>

## **ATTACHMENT 2.**

### **Subdivision 2 — Committees and their meetings**

#### **5.8. Establishment of committees**

A local government may establish\* committees of 3 or more persons to assist the council and to exercise the powers and discharge the duties of the local government that can be delegated to committees.

*\* Absolute majority required.*

#### **5.9. Types of committees**

- (1) In this section —  
**other person** means a person who is not a council member or an employee.
- (2) A committee is to comprise —
  - (a) council members only;
  - (b) council members and employees;
  - (c) council members, employees and other persons;
  - (d) council members and other persons;
  - (e) employees and other persons; or
  - (f) other persons only.

#### **5.10. Appointment of committee members**

- (1) A committee is to have as its members —
  - (a) persons appointed\* by the local government to be members of the committee (other than those referred to in paragraph (b)); and
  - (b) persons who are appointed to be members of the committee under subsection (4) or (5).

*\* Absolute majority required.*

- (2) At any given time each council member is entitled to be a member of at least one committee referred to in section 5.9(2)(a) or (b) and if a council member nominates himself or herself to be a member of such a committee or committees, the local government is to include that council member in the persons appointed under subsection (1)(a) to at least one of those committees as the local government decides.
- (3) Section 52 of the *Interpretation Act 1984* applies to appointments of committee members other than those appointed under subsection (4) or (5) but any power exercised under section 52(1) of that Act can only be exercised on the decision of an absolute majority of the local government.
- (4) If at a meeting of the council a local government is to make an appointment to a committee that has or could have a council member as a member and the mayor or president informs the local government of his or her wish to be a member of the committee, the local government is to appoint the mayor or president to be a member of the committee.
- (5) If at a meeting of the council a local government is to make an appointment to a committee that has or will have an employee as a member and the CEO informs the local government of his or her wish —
  - (a) to be a member of the committee; or
  - (b) that a representative of the CEO be a member of the committee,

the local government is to appoint the CEO or the CEO's representative, as the case may be, to be a member of the committee.



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 October 2021
AGENDA REFERENCE	10.2.1
SUBJECT	Schedule of Accounts - September 2021
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.14
INTEREST DISCLOSURE	None
DATE OF REPORT	13 October 2021
AUTHOR	Gan So Hon, Manager Finance & Admin
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

**That Council approves the expenditure as presented in September 2021 Schedule of Accounts**

### BACKGROUND

The Local Government Act 1995 (WA)(CI) requires Council to maintain a Municipal Fund, a Reserve Fund and a Trust Fund and to manage and report on these accounts in accordance with this Act and Regulations.

Outstanding creditors as at 30 September 2021:

**\$176,687.93**

### COMMENT

A schedule of accounts is attached to this report, setting out expenditure from the Municipal and Trust Funds. This report is provided in compliance with the Act and Regulations.

### STATUTORY ENVIRONMENT

Section 6.10 of the Local Government Act 1995 (WA)(CI) authorizes payment from Municipal and Trust Funds.

Regulation 12 of the Local Government (Financial Management) Regulations 1996 requires a local government to compile a list of Creditors each month.

Regulation 13 of the Local Government (Financial Management) Regulations 1996 requires that if a Local Government has delegated to the CEO the exercise of its power to make payments from the Municipal Fund or the Trust Fund, the CEO is to compile each month a list of accounts paid since the last payment such list was prepared.

### POLICY IMPLICATIONS

There are no significant policy implications arising from this matter. The CEO is to ensure that all expenditure incurred is in accordance with the Annual Budget and any approved variations.

### FINANCIAL IMPLICATIONS

The financial implications arising from expenditure from the Municipal, Reserve and Trust funds are reported on a monthly/quarterly basis to Council via Financial and cash flow statements in accordance with the Act and Regulations.

**STRATEGIC IMPLICATIONS & MILESTONES**

Objective 1 of the Government Environment is to “Provide good governance in line with the requirements of the Local Government Act and the culture of the Island”. Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

10.2.1.1 Certification of CEO and Chairperson of the Meeting.

10.2.1.2 Schedule of Accounts - September 2021.

“Pursuant to s 5.25 (j) of the Local Government Act, and Regulation 14 (2) of the Local Government (Administration) Regulations, this attachment is not available to the public.”



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 October 2021
AGENDA REFERENCE	10.2.2
SUBJECT	Financial Statements – September 2021
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.14
INTEREST DISCLOSURE	None
DATE OF REPORT	12 October 2021
AUTHOR	Gan So Hon, Manager Finance & Admin
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATION

**That Council receives the Financial Statements of September 2021 for the Municipal Fund.**

### BACKGROUND

The Local Government Act 1995 (WA)(CI) requires the local government to prepare a monthly or a quarterly financial report in accordance with this Act, Financial Regulations and other relevant legislation.

### COMMENT

A monthly or a quarterly financial report is attached to this report, setting out expenditure from the Municipal and Trust Funds. This report is provided in compliance with the Act and Regulations.

### STATUTORY ENVIRONMENT

Section 6.4 of the Local Government Act 1995 (WA)(CI) requires a local government to prepare a financial report.

Regulation 34 of the Local Government (Financial Management) Regulations 1996 requires a local government to prepare a monthly or a quarterly financial report.

Regulation 35 of the Local Government (Financial Management) Regulations 1996 requires the local government to prepare the quarterly report in the form as set out.

### POLICY IMPLICATIONS

There are no significant policy implications arising from this matter. Each Manager and the CEO are to ensure that the expenditure is incurred in accordance with the Annual Budget and or any variations as approved.

### FINANCIAL IMPLICATIONS

The financial implications arising from expenditure from the Municipal and Trust funds are reported on a monthly/quarterly basis to Council via Financial and cash flow statements in accordance with the Act and Regulations.

**STRATEGIC IMPLICATIONS & MILESTONES**

Objective 1 of the Government environment is to “Provide good governance in line with the requirements of the Local Government Act and the culture of the Island”. Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

10.2.2.1 Financial Statements – Municipal Fund 30 September 2021.

## SHIRE OF CHRISTMAS ISLAND

## STATEMENT OF FINANCIAL ACTIVITY

FOR THE PERIOD 1 JULY 2021 TO 30 SEPTEMBER 2021

FM Reg 34  
FM Reg 22 (1)(d)

FM Reg 32(d)

		NOTE		30 September 2021 Y-T-D Actual \$	30 September 2021 Y-T-D Budget \$	2021/22 Budget \$	Variances Budget to Actual Y-T-D %	>10% & >\$10,000
<b>Operating</b>								
<b>Revenues/Sources</b>								
3	General Purpose Funding	1		3,065,663	1,149,976	6,899,853	166.6%	1,915,687
	Governance	2		526,268	833	5,000		
	Law, Order, Public Safety	3		142	150	900		
	Health	4		8,770	3,167	19,000		
	Welfare	5		994	333	2,000		
	Housing	6		7,650	7,833	47,000		
	Community Amenities	7		469,608	128,049	768,294	266.7%	341,559
	Recreation and Culture	8		5,721	30,017	180,100		
	Transport	9		252,337	129,333	776,000	95.1%	123,003
	Economic Services	10		8,010	5,333	32,000		
	Other Property and Services	11		3,172	2,333	14,000		
				4,348,334	1,457,358	8,744,147		
<b>(Expenses)/(Applications)</b>								
3	General Purpose Funding	12		(22,372)	(24,886.83)	(149,321)		
	Governance	13		(229,125)	(153,748.67)	(922,492)		
	Law, Order, Public Safety	14		(41,045)	(40,205.50)	(241,233)		
	Health	15		(22,753)	(30,897.00)	(185,382)		
	Welfare	16		(125,092)	(113,451.67)	(680,710)		
	Housing	17		(36,849)	(30,702.50)	(184,215)		
	Community Amenities	18		(324,170)	(339,767.00)	(2,038,602)		
	Recreation & Culture	19		(383,228)	(433,983.50)	(2,603,901)		
	Transport	20		(712,115)	(749,076.17)	(4,494,457)		
	Economic Services	21		(11,517)	(42,379.67)	(254,278)		
	Other Property and Services	22		(58,995)	(81,666.67)	(490,000)		
				(1,967,260)	(2,040,765)	(12,244,591)		
<b>Adjustments for Non-Cash (Revenue) and Expenditure</b>								
3	Profit/(Loss) on Asset Disposals	23		0	0	0		
	Leave Accruals	24		0	0	0		
	Movement in accrual interests			0	0	0		
	Depreciation on Assets	25		0	413,883	2, #3, 300		
<b>Capital Revenue and (Expenditure)</b>								
3	Purchase Property, Plant & Equipment	26		(168,663)	(107,833)	(647,000)	(56.4%)	
	Purchase Infrastructure Assets - Roads	27		(388,004)	(251,959)	(1,511,751)	(54.0%)	-136,045
	Proceeds from Disposal of Assets	28		0	0	0		
	Transfers to Reserves (Restricted Assets)	29		0	(104,269)	(625,613)		
	Transfers from Reserves (Restricted Assets)	30		0	73,667	442,000		
	Grants	31		256,351	185,292	1,111,751		
ADD	Net Current Assets July 1 B/Fwd	1		791,057	129,270	775,622		
LESS	Net Current Assets Year to Date	1		4,315,244	0	0		
	Amount Raised from Rates			(1,443,429)	(245,356)	(1,472,135)		

This statement is to be read in conjunction with the accompanying notes.



**SHIRE OF CHRISTMAS ISLAND**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2021 TO 30 SEPTEMBER 2021**

**30 September  
2021  
Actual  
\$**

**Brought  
Forward  
01-Jul  
\$**

**Note 1. NET CURRENT ASSETS**

FM Reg 34 (2)(a) **Composition of Estimated Net Current Asset Position**

**CURRENT ASSETS**

Cash - Unrestricted	3,610,161	1,005,729
Cash - Restricted	4,585,316	4,585,316
Receivables	1,199,053	677,304
Inventories	854,039	832,279
Other Financial Assets	19,761	31,610
	<b>10,268,331</b>	<b>7,132,238</b>

**LESS: CURRENT LIABILITIES**

Payables and Provisions	(1,367,720)	(1,755,865)
	<b>8,900,611</b>	<b>5,376,373</b>
Less: Cash - Reserves - Restricted	(4,585,316)	(4,585,316)
Less: Cash - Restricted/Committed	(51)	0
<b>NET CURRENT ASSET POSITION</b>	<b>4,315,244</b>	<b>791,057</b>

**Note 2. CURRENT RATIO**

Current Assets	10,268,331	<b>7.51 : 1</b>
Current Liabilities	1,367,720	

**QUICK RATIO**

Current Assets - (Restricted Assets + Inventories)		
Current Liabilities		
10,268,331 - ( 4,585,316 + 854,039 )		<b>3.53 : 1</b>
1,367,720		

Ratios greater than one indicates that Council has sufficient current assets to meet its short term current liabilities.

**SHIRE OF CHRISTMAS ISLAND**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2021 TO 30 SEPTEMBER 2021**

**Note 3.                      VARIANCES**

FM Reg 34 (2)(b) **Variances greater than 10% and \$ 10,000 were due to:**

<b>OPERATING REVENUE</b>		
1 General Purpose	166.6% above budget estimate	due to payment of 50% FAG.
7 Comm Amenities	266.7% above budget estimate	due to Commercial Garbage Quarterly Charges sent out in July 2021.
9 Transport	95.1% above budget estimate	due to payment of RTR/LRCI grants transferred to Capital Revenue.
<b>CAPITAL EXPENDITURE</b>		
27 Infrastructure Rd	-54% above budget estimate	due to LRCI Projects - completion.



## SHIRE OF CHRISTMAS ISLAND

SUBMISSION TO	Ordinary Meeting 26 October 2021
AGENDA REFERENCE	10.2.3
SUBJECT	Outstanding Rates/Debtors Report 30 September 2021
LOCATION/ADDRESS/APPLICANT	N/A
FILE REFERENCE	3.1.9
INTEREST DISCLOSURE	Nil
DATE OF REPORT	12 October 2021
AUTHOR	Gan So Hon, Manager Finance & Admin
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

### RECOMMENDATION

The report is noted.

### BACKGROUND

Policy and legislation require regular reports to Council about the extent of debt to the Shire and any actions to be taken or to recover unpaid monies.

A debt is defined as any amount of money owed to the Shire by virtue of the provision of services, levying of rates, fees and charges, funding agreements, the provision of private works or other fee for service and payment has not been made within 45 days of issuance of invoice, notice or agreement. A debt does not include instalment arrangements, unless the final instalment is overdue by 45 days or more.

### COMMENT

As at 30 September 2021, the Shire was owed \$1,232,940. The breakdown of monies owed is as follows:

Payment Type	Total owed	Amounts under \$200	Amounts over \$200	Debts written off in preceding quarter	Debts referred to debt collection or subject to negotiated settlement/ Other
	\$	\$ & No.	\$ & No.	\$ & No.	\$ & No.
Rates & Services	251,309 162	791 62	250,518 100	Nil	Nil
Others	631,631 21	679 6	563,329 14	Nil	67,623 1
Private works	350,000 2	Nil	350,000 2	Nil	Nil

**STATUTORY ENVIRONMENT**

Section 6.13 of the Local Government Act 1995 (WA) (CI) and regulations 19A & 19B of the LG Financial Management Regulations apply. In relation to rates and service charge debts in excess of 3 years, Council must make at least 1 attempt to recover unpaid monies by court action before exercising the power to compulsory sell the property.

**POLICY IMPLICATIONS**

Council's FI – 5 Debt Recovery Policy applies. The policy sets out the scheme for pursuing debts via letters of demand and local court action. The CEO has delegated authority to pursue debt recovery and to write off debts under \$200. Council has the sole authority to write off debts over \$200.

**FINANCIAL IMPLICATIONS**

There are some costs to Council in pursuing debts, eg summons. However, Council can also apply interest penalties on outstanding debts and court fees, thereby mitigating these costs.

**STRATEGIC IMPLICATIONS & MILESTONES**

Objective 1 of the Governance environment is to "Provide good governance in line with the requirements of the LGA and the culture of the Island. Objective 4 of the same environment is to "effectively manage the resources of the Shire in line with the objectives of the strategic plan.

**CONSULTATION**

No consultation is required. Debtors will be contacted direct about their debts in accordance with the policy.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

Nil



## SHIRE OF CHRISTMAS ISLAND

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SUBMISSION TO	Ordinary Council Meeting 26 October 2021
AGENDA REFERENCE	10.5.1
SUBJECT	Regulation 17 Review
LOCATION/ADDRESS/APPLICANT	
FILE REFERENCE	
INTEREST DISCLOSURE	Nil
DATE OF REPORT	21 October 2021
AUTHOR	Chris Su
SIGNATURE OF AUTHOR	SIGNED
SIGNATURE OF CEO	SIGNED

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### RECOMMENDATIONS

**That the Council adopts the reviewed Regulation 17 documents to satisfy the compliance requirements for Regulation 17 of the WA Local Government (Audit) Regulations and accept the Regulation 17 Report for the period**

- **Legislative Compliance Management Framework 2021**
- **Internal Controls Framework 2021**
- **Risk Management Plan 2021**

### BACKGROUND

UHY Haines Norton assisted Shire with a roadmap to meet the compliance requirements of Regulation 17 of the Local Government (Audit) Regulations 1996 as it came into force in 2014/15. Shire's first series of documents adopted to meet the compliance requirements of Regulation 17 were presented at the November 2018 Council meeting; the reviewed documents are presented here to continue to meet compliance.

### COMMENT

2020/21 Auditors recommended that the review of the Regulation 17 documents be completed calendar 2021 and that a two year review schedule be maintained for these documents.

The Manager of Governance, Research, Policy and Grants to assist in this compliance schedule.

### STATUTORY ENVIRONMENT

Regulation 17 of the WA Local Government (Audit) Regulations 1996 requires Councils to have a formal approach to maintaining the Risk Management, Internal Control and Legislative Compliance of their operations.

### FINANCIAL IMPLICATIONS

N/A

### STRATEGIC IMPLICATIONS & MILESTONES

Objective 1 of the Government environment is to "Provide good governance in line with the requirements of the Local Government Act and the culture of the Island".

Objective 4 of the same Environment is to “Effectively manage the resources of the Shire in line with the objectives of the Strategic Plan”.

**VOTING REQUIREMENTS**

A simple majority is required.

**ATTACHMENTS**

10.5.1.1 – Regulation 17 Report

10.5.1.2 – Internal Controls Framework 2021

10.5.1.3 – Legislative Compliance Management Framework 2021

10.5.1.4 – Risk Management Plan 2021



# Regulation 17 Report 2018-2021

## Summary

The Shire of Christmas Island adopted a series of documents at to comply with the amended WA Local Government (Audit) Regulations 1996's Regulation 17 in November 2018.

Regulation 17 requires that -

- 1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —  
(a) risk management; and  
(b) internal control; and  
(c) legislative compliance.*
- 2) *The review may relate to any or all of the matters referred to in sub regulation (1) (a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- 3) *The CEO is to report to the audit committee the results of that review.*

The documents adopted are monitored by the Manager of Research, Governance, Policy and Grants are:

1. Risk Management Framework 2018
2. Internal Control Management Framework 2018
3. Legislative Compliance Management Framework 2018

Adoption of the three frameworks and reporting of the Summary of Review Results to the next Audit Committee meeting will make Shire compliant. The Regulations require these to be reviewed again in 2023.

The Frameworks have assisted the Shire in maintaining the standards required by regulation. In particular, internal controls in the finance section are monitored more closely ensuring that reporting remains sound ensuring continued OAG audit certifications.

Manager of Governance, Research, Policy and Grants

Chris Su

[chris@shire.gov.cx](mailto:chris@shire.gov.cx) 9164 8300 (237)

# Internal Controls Framework 2021

**Prepared by:**

Manager of Governance, Research, Policy and Grants Chris Su  
[chris@shire.gov.cx](mailto:chris@shire.gov.cx) 91648300 (237)

October 2021

Version	Prepared	Adopted
2018, version 1	Chris Su	November 2018 Res. 97/18
2021, version 2	Chris Su	-



## Internal Controls Framework 2021

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### Executive Summary

Regulation 17 was added to the Local Government Act (WA 2005) in 2014 which necessitated Local Governments to develop a formal Internal Controls, Legislative Management and Risk Management Framework.

Shire adopted its first set of documents to comply with the introduction of Regulation 17 in November 2018. These were –

1. Internal Controls Framework, 2018 edition
2. Legislative Compliance Management Framework, 2018 edition
3. Risk Management Plan, 2018 edition

The Manager for Governance, Research, Policy and Grants is responsible for the overseeing the implementation of the documents.

#### **Major changes in the Legislative Compliance Management Framework 2018 - 2021**

Of note, a new series of policies and codes were adopted in the August 2021 Ordinary Council Meeting to ensure Council's compliance with recent updates to the following regulations:

- *Local Government (Model Code of Conduct) Regulations 2021*, that repealed and replaced the *Local Government (Rules of Conduct) Regulations 2007*
- *Local Government (Administration) Amendment Regulations 2021*
- *Local Government Regulations Amendment (Employee Code of Conduct) Regulations 2021*

## Internal Controls Framework 2021

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### Internal Controls 2018 – 2021

An identified weakness in the Internal Controls procedures going into the initial 2018 period was a lack of automated alert in the Synergy software to identify when a general ledger had reached capacity. This meant that overspends had to be manually reported by Managers; since the Internal Controls 2018 measures have been put in, this is now automated.

UHY Haines Norton prepared in February 2015 for Council a Review with a roadmap to reach compliance under the new regulation. This new Internal Controls Framework documents the recommendations by UHY Haines Norton and SOCI's responses to them over 2017/2018, with additional financial internal control mechanisms to boost compliance. The Manager for Governance, Research, Policy and Grants will oversee the monitoring of the Internal Control Framework and report to the Executive Management Team SOCI's compliance.

### Risk Management Plan 2018 – 2021

The Shire conducts work at outdoor sites from roadways, construction sites to the waste tip with approximately two-thirds of our 60 staff dedicated to these responsibilities. No injuries were had in the period, with staff completing their work hours in the period safely.

One major IT incident in February 2021 occurred with the SAN unit failing in the server room. This resulted in loss of connection to the internet for several days and an entire month without email access.

The design of the server architecture relied on the single SAN unit being in operation. It was two years old at time of failure; they are typically ranked for 10 years of use. It was an outlier in IT failure.

Our vendor NEC recommended a change to architecture and the installation of two SAN units. Normally, a failure in metro-Australia can be rectified in several days. However being in remote Australia with also unusually backlogs and supply chain challenges in global IT supplies because of the pandemic caused a prolonged delay for Shire. Procuring a redundancy SAN would address.

IT section acquired two SAN units by March 2021. Both were installed with one conducting operations and the second as a redundancy option as recommended. The IT section has also acquired redundant IT accessories and parts as a safeguard measure given the global supply crunch.

# Internal Controls Framework 2021

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## Internal Controls Framework

*'Internal controls are systems of policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations.'*

*'These systems not only relate to accounting and reporting but also include communication processes both internally and externally, staff management and error handling'<sup>1</sup>.*

Operational Guidelines prepared by the Department of Local Government and Communities (Audit in Local Government number 09 September 2013) provide the background to Internal Controls in the context of this review as follows:

*'Internal control is a key component of a sound governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. Strategies to maintain sound internal controls are based on risk analysis of the internal operations of a local government.'*

As such, SOCI looks to improve its Internal Control processes across four basic purposes: safeguarding assets, ensuring financial statement reliability, promoting operational efficiency, and encouraging compliance with management's directives.

UHY Haines Norton's 2015 report provided the following framework to ensure the Internal Controls at Shire comply with the new requirements under Regulation 17.

The Governance Officer has implemented suggested changes put forward by UHY Haines Norton with additional Internal Control measures in Finance to contend with poor internal controls in over-spends against the budget. Strategic budgeting by the executive management team seeks to fulfil Shire's dedication to ensuring departments are funded adequately to execute their parts of the Corporate Business Plan as well as that contributions to the reserves are made to the order required. Strong internal controls need to exist to ensure that this strategic annual budgeting exercise is not in vain and that the executive management team and CEO are informed in a timely manner of any over-spends that they may review the budget and make accommodations if required.

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<sup>1</sup> 1 Internal controls for not-for-profit organisations, CPA Australia, 2011, p 3.

## Internal Controls Framework 2021

### INTERNAL CONTROL ENVIRONMENT AND FRAMEWORK REVIEW

#### Internal Control 1.0 - Framework Design

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 ACTION
<b>IC 1.1</b>	Council Internal Controls Policy	To evidence the Council's commitment to Internal Controls and their importance to the Organisation.	No overall policy for internal controls exists.	Not applicable.	That a policy be developed reflecting Council's commitment to risk based internal controls.	ICF 2018 created. ICF 2021 reviewed.
<b>IC 1.2</b>	Code of Conduct for Elected Members and Staff	To provide elected members and staff with consistent guidelines for an acceptable standard of professional conduct.	The code of conduct is considered as providing appropriate communication. No requirement within the code of conduct to report identified breaches of internal controls.	The code of conduct is issued to all staff and elected members. As there is no requirement to report identified breaches the effectiveness is unable to be determined.	That the code of conduct be amended to include a requirement to report any identified breaches of internal controls.	August 2021 saw a new Code of Conduct adopted by Shire for this. This Code was based on the pro-forma issued by WALGA to local govts in WA.
<b>IC 1.3</b>	Communication of modifications	To ensure staff are notified of changes to internal controls and have access to documented procedures.	New and modified policies approved by Council are communicated to staff. Considered appropriate. Very few procedures are documented and notification of changes is normally done via email or during EMG meetings. All Policies are available on the Shire website.	There have only been a very limited number of changes to policies or procedures in recent years, staff appear aware of these changes.	That a documented procedure be established to ensure staff are aware of and able to access the latest documented procedures.	Staff received email of new Code of Conduct and reviewed 2018 Policy Manual.  Staff meetings held after every Council Meeting updates staff of any changes month to month
<b>IC 1.4</b>	Experienced Staff	To ensure all senior staff have an understanding of the inherent risks internal controls are addressing associated with, and relevant to, their role.	Refer to LC 2.4.	Refer to LC 2.4.	Refer to LC 2.4.	Annual Performance Reviews by the CEO addresses the legislative elements that senior staff are responsible for.

## Internal Controls Framework 2021

IC 1.5	Staff Training	To ensure the staff have access to ongoing training in internal controls and attend appropriate training sessions.	Refer to LC 2.5.	Refer to LC 2.5.	Training suggestions are sent upline by staff. Culture set that staff feel free to suggest to management training requests.  Management also suggests training programs to staff.
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### INTERNAL CONTROLS ENVIRONMENT AND FRAMEWORK REVIEW

#### Internal Controls 2.0 Implementation

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018 – 21 Action
IC 2.1	Council Policy AD1 Agendas and Minutes of Council Meetings	To provide for the timely preparation of agendas and minutes for circulation to councillors.	The policy requires Council agendas and minutes to be prepared in accordance with legislation and within reasonable timeframes utilising maintained procedures. The policy has not been reviewed since adoption in 2004.	Reviewed and found satisfactorily contemporary	n/a	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17
IC 2.2	Council Policy AD2 Enforcement of Legislation	To ensure laws are enforced in a consistent and equitable manner and ensure the effectiveness of law the Shire is required to enforce.	The policy has not been reviewed since adoption in 2004.	Reviewed and found satisfactorily contemporary	n/a	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17

## Internal Controls Framework 2021

IC 2.3	Council Policy AD3	Provide standard conditions for managers above those contained in the Shire Award.	The policy has not been reviewed since adoption in 2001. The Policy does not require managers to perform to any defined level.	Updated with new WA	New Shire-UCIW Enterprise Agreement 20121-2024 before the Fair Work Commission in October 2021 detailing updated conditions	Reviewed and found satisfactorily contemporary
No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 Action
IC 2.4	Council Policy AD4	To provide standard conditions for use of Shire vehicles.	The policy has not been reviewed since adoption in 2001.	Reviewed and found satisfactorily contemporary	n/a	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17
IC 2.5	Council Policy CS1 The Islander Editorial Policy	To provide for the fortnightly publishing of a community newspaper.	The policy provides for free of charge advertising for certain types of advertising within the newspaper. The policy was adopted in 2002 and has not been reviewed.	Reviewed and found satisfactorily contemporary	Update in 2020 to present to make the Islander free during the State of Emergency as it is the sole printed newspaper that Emergency Directions are printed in fortnightly.	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17  Fees and Charges not updated



## Internal Controls Framework 2021

						with definition for free community advertising; this is written into the 2017 Islander Policy and remains under the decision of the Editorial Committee.
<b>IC 2.6</b>	Council Policy CS2 Use of Community Facilities	To establish a policy for the management of community facilities to ensure equitable, appropriate and affordable access to the community.	The policy sets the level of security deposit to be charged for the use of facilities.	Reviewed and found satisfactorily contemporary	That the level of the Security deposit be set as part of the Annual Budget process.	Security Deposit amount (\$35) considered too little to be part of the Annual Budget process. This matter is kept in petty cash in Community Services.
<b>IC 2.7</b>	Council Policy CS3 Community Welfare Fund	To establish the process and principles for the payments of grants and contributions to the community from the Community Welfare Fund.	The policy appears appropriate.	Reviewed and found satisfactorily contemporary	No further action.	N/A
<b>No.</b>	<b>FRAMEWORK COMPONENTS</b>	<b>PURPOSE/GOAL</b>	<b>APPROPRIATENESS</b>	<b>EFFECTIVENESS</b>	<b>IMPROVEMENTS</b>	<b>2018 -21 Action</b>
<b>IC 2.8</b>	Council Policy EM1 Policy Development	To establish a process for the creation, approval and presentation of Council policy statements.	The policy requires procedures/documents necessary to implement the policy, be attached to the Policy when adopted. Given the procedures may only be developed after adoption of the policy this clause is not considered appropriate The policy was last reviewed in 2007.	Reviewed and found satisfactorily contemporary	n/a	n/a
<b>IC 2.9</b>	Council Policy EM 2 Donations to Community organisations,	To establish a policy on the making of donations by the Shire to Community organisations, other groups and persons.	Reviewed and found satisfactory contemporary	Reviewed and found satisfactorily contemporary		Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report

## Internal Controls Framework 2021

	other groups and persons				on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17  Noted the feedback on lack of authority under the Act for delegation of a Council responsibility to the Shire President – part 11 of the policy requires the Council to make a resolution to enable the President, a sub committee or the CEO to perform this duty.
IC 2.10	Council Policy EM3 Community Consultation	To set out the procedure Council will use when undertaking consultation and considering submissions.	Reviewed and found satisfactorily contemporary	A series of wide ranging community consultation opportunities were conducted by Council in the previous 18 months. The policy was found to be rigorous.	n/a  Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17
IC 2.11	Council Policy EM4	To document the manner in which member allowances are calculated and paid.	Reviewed and found satisfactorily contemporary		Noted the feedback on legislative requirements. CEO is updated with Tribunal information regarding elected member allowances. An SDA exists between Cwealth and



## Internal Controls Framework 2021

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	the WA State Tribunal for this purpose.
<b>IC 2.12</b>	Council Policy EM 6 Travel Reimbursement Policy	To reimburse elected members travelling off island to perform a function in their capacity as a council member.	Reviewed and found satisfactory contemporary	Staff Travel Allowances are covered in the UCIW-SOCI Enterprise Agreement 2018	n/a	<b>2018-21 Action</b>
<b>IC 2.13</b>	Council Policy EM 7 Council Employment	To set out good employment policy and practice in the provision of Council services to the community.	The policy has been used several times in the engagement of frontline outdoor and research level staff. It has been rigorous.	Reviewed and found satisfactorily contemporary	That the policy be reviewed and updated.	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17
<b>IC 2.14</b>	Council Policy FI 1 Regional Price preference policy	To set out the basis for the support of Christmas Island based suppliers of goods and Services.	Reviewed and found satisfactory contemporary	Reviewed and found satisfactorily contemporary	Reviewed and found satisfactorily contemporary	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17
<b>No.</b>	<b>FRAMEWORK COMPONENTS</b>	<b>PURPOSE/GOAL</b>	<b>APPROPRIATENESS</b>	<b>EFFECTIVENESS</b>	<b>IMPROVEMENTS</b>	<b>2018-21 Action</b>
<b>IC 2.15</b>	Council Policy FI2 Purchasing Policy	To provide the basis and practise to be followed for purchasing.	The policy provides for the use of a trades register when purchasing certain items for under \$99,999. It is not apparent if Tenders are required for these purchases where	Previous audit reports and discussions with staff confirmed the policy is not always followed especially for local purchases where	That the policy be reviewed and updated to provide clarity for trade purchases and circumstances where	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report

## Internal Controls Framework 2021

			the value is Greater than \$50,000. The policy was last reviewed in 2009.	a quotation is unable to be obtained.	quotations cannot be obtained.	on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17  Policy clearly states the processes to take place with purchases greater than \$50k
<b>IC 2.16</b>	Council Policy FI5 Debt Recovery Policy	To set out an efficient, effective and fair method of debt recovery.	The policy sets an interest rate of 10% for overdue debts, this rate is required to be adopted when adopting the Annual Budget.	The effectiveness was not tested. It was noted a number of long outstanding debtors existed.	That the policy be reviewed and updated to ensure it is in compliance with the legislation.	Reviewed in 2017 Policy Manual motion "Review of Policy Manual as per UHY Haines Norton's recommendations in 'Report on a Review of Risk Management, Legislative Compliance and Internal Controls', 88/17
<b>IC 2.17</b>	Council Policy FI 6 Investment Policy	To set out the basis for investment of surplus cash.	Reviewed and found satisfactorily contemporary	Reviewed and found satisfactorily contemporary	That the policy be reviewed to ensure it is current.	
<b>IC 2.18</b>	Council Policy FI 7 Significant Accounting Policies	To provide a mechanism to comply with the requirements of the Local Government Act and Regulations within SOCI's Accounting Section.	Reviewed and found satisfactorily contemporary	Reviewed and found satisfactorily contemporary	That the policy be reviewed to ensure it is current.	
<b>IC 2.19</b>	Council Policy HE1 Food Surveillance Policy	To establish Council's policies relating to surveillance of persons selling and handling food for human consumption.	Reviewed and found satisfactorily contemporary	Reviewed and found satisfactorily contemporary	That the policy be reviewed to ensure it is current and complies with legislation.	

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018 Action
<b>IC 2.20</b>	Council Policy PB1 Land Administration	To set out the basis for dealing with Crown Land.	This policy has been utilised in the acquisition of Management Orders for the new Foreshore Padang site	Reviewed and found satisfactorily contemporary	Reviewed and found satisfactorily contemporary	Reviewed in 2017 Policy Manual motion "Review of

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## Internal Controls Framework 2021

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### 2.0 Financial Internal Controls

The Manager of Governance, Research, Policy and Grants and the Manager of Finance will monitor the expenditure of all sections of the Shire through the SYNERGY accounting system.

The finance team inputs debits into SYNERGY against the general ledger code that different departments utilise for their expenses.

When GLs face their ceiling, the Manager of Finance is notified by the Synergy system.

A formalised Petty Cash Policy was adopted in July 2021 at the advice of the Auditors. The requirement to use quotes for procurement above the benchmark has been followed satisfactorily in the period.

# Legislative Compliance Management Framework

Prepared by:

Manager Governance, Research, Policy and Grants Chris SU

[chris@shire.gov.cx](mailto:chris@shire.gov.cx)

9164 8300 (237)

Version	Officer	Adopted
2018 version 1	Chris Su	November 2018, 97/18
2021 version 2	Chris Su	TBA

## Executive Summary

The Legislative Compliance Framework makes one third of the documents required by Council to comply with Regulation 17 of the Local Government Act (2005) added in 2014.

It requires Councils to develop a management system to ensure that operational policies are kept in best practice to work under the various pieces of legislation that Councils are required to enforce and function under as they are from time to time amended.

The Manager of Governance, Research, Policy and Grants is the member of the executive management team and is responsible for managing the Legislative Compliance Management framework. Two new documents have been created as recommended by auditor-consultants UHY Haines Norton to assist Council with compliance; the 'Legislative Compliance Register' and the 'Complaints Register.'

## UHY Haines Norton Regulation 17 Audit 2014

Council obtained an advisory audit from UHY in 2014 which advised that largely, the existing method of legislative compliance for a Shire this size was appropriate. It did note that there *'..were no formal documented processes surrounding the Shire's approach to overall legislative compliance across the organisation.'*

It listed several improvements for Council to consider to address this:

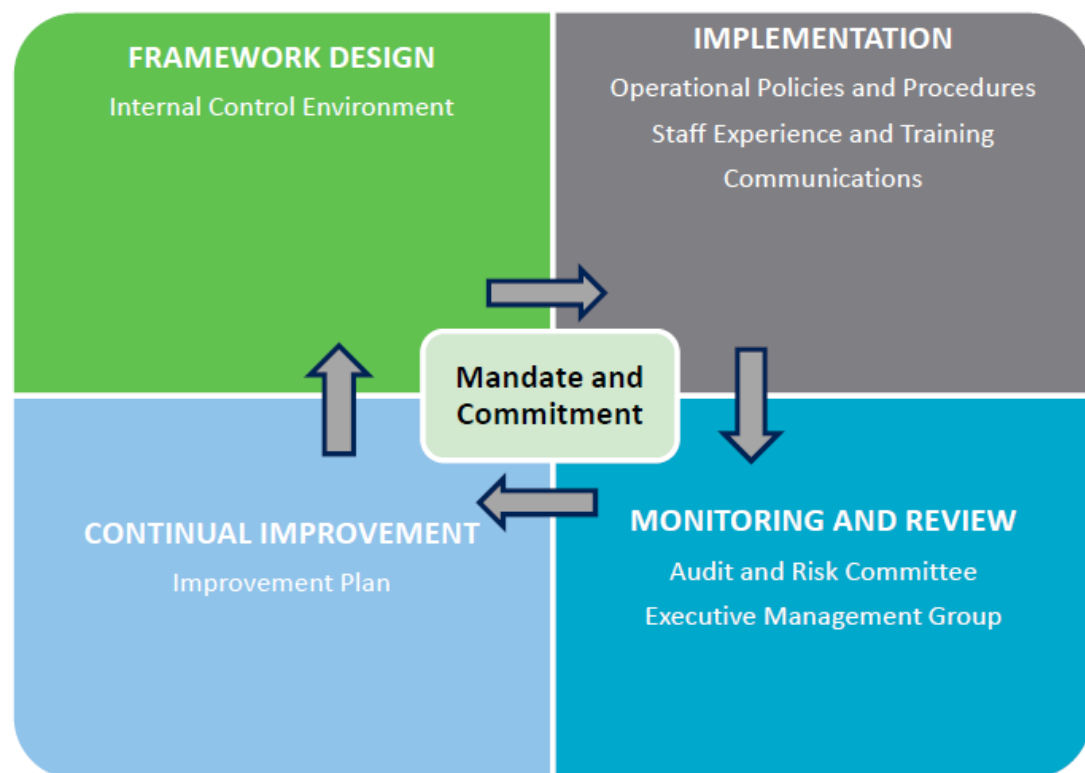
- a) The establishment of a Legislative Compliance strategy and framework to identify the practices supporting legislative compliance throughout the organisation;
- b) The code of conduct be amended to incorporate the requirement to report identified breaches of legislation to the appropriate Officer;
- c) The staff induction process include the topic of legislative compliance and draw attention to this requirement in the code of conduct; and
- d) The development of a risk based training matrix to ensure those senior staff with the responsibility for preventing, identifying and reporting breaches of legislation are offered relevant training to ensure their knowledge of legislative requirements is maintained.

## INTERNAL CONTROL FRAMEWORK

### INTERNAL CONTROL ENVIRONMENT AND FRAMEWORK

The following internal control environment and framework was identified as being appropriate for the Shire of Christmas Island after consideration of the current internal and external influences.

#### INTERNAL CONTROL ENVIRONMENT FRAMEWORK



We undertook a high level review of internal controls which precluded detailed testing of all internal controls. The results of our review against the above framework is set out in **Appendix C** and summarised on the following page.



## Legislative Compliance Management Framework 2021

### LEGISLATIVE COMPLIANCE FRAMEWORK REVIEW LC 2.0 Implementation

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 ACTION
LC 2.1	Council Policy Records Management.	To incorporate legislative requirements and standards into record keeping functions.	Records Management Policy existed since 2010. Reviewed 2018..	Reviewed, found to be contemporary	That a records management policy be developed and records storage and records management procedures be reviewed in line with the policy.	
LC 2.2	Management Procedure - Reporting Legislative Breaches	To provide procedures requiring the reporting of identified legislative breaches.	Documented in the new August 2021 Code of Conduct	Reviewed, found to be contemporary	The contemporary WALGA supplied pro-forma Code of Conduct fits.	August 2021 Code of Conduct adopted
LC 2.3	Management Procedure - Staff Inductions	To ensure all staff have knowledge of the requirements with regards to legislative compliance.	New August 2021 Code of Conduct applies	Reviewed, found to be contemporary	That legislative compliance procedures are included within a documented induction process	August 2021 Code of Conduct adopted
LC 2.4	Experienced Staff	To ensure staff engaged at a senior level and technical roles have an understanding of the legislative requirements relevant to their role.	Current position descriptions for relevant senior roles contain qualification requirements relevant to the role.	Only one senior hire made in the last three years. Holds sufficient qualifications at a post-graduate level for role.	n/a	



## Legislative Compliance Management Framework 2021



No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 ACTION
LC 2.5	Staff Training	To ensure the staff have access to ongoing and appropriate training in legislative requirements.	Manager for Training oversees operational training for necessary courses for outdoor works team.  This is a standing commitment to safety and efficiency.	Reviewed, found to be contemporary.	N/A	Manager for Training identifies training needs in conjunction with Management for separate sections at Council.  Primary consideration is given to work-tickets for outdoor teams to ensure compliance.  Conference and Training budgeting for Manager level staff to appraise them of updates to their legislative requirements overseen by CEO adequately.
LC 2.6	Access to Information	To ensure staff have timely access to changes in legislation as they occur.	Current practise is for the executive to advise relevant Officers of changes advised by WALGA and State Law Publisher. Considered appropriate.	Highly depended to the actions of the executive.	No further action.	Noted
LC 2.7	Management Procedure – Statutory Environment in Council agendas	To provide Councillors with relevant legislative information to inform their decision making process.	Documentation of the Statutory environment appears appropriate for the items reviewed.	Procedures appear effective with no Council decisions noted as non-compliant.	No further action.	Noted
LC 2.8	Council Policy - Significant Accounting Policies	To provide policy in the recording and reporting of financial transactions, accounting judgements and estimates.	Policy appears appropriate and up to date.	Policy appears effective with no issues identified by external auditors.	No further action.	Noted
LC 2.9	Management Procedure - Compliance Audit Return	Management Procedures designed to guide staff on the completion of the annual compliance audit return.	Whilst procedures are not documented, informal procedures appear appropriate.	From staff representations received procedures appear effective.	No further action.	Noted
No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 ACTIONS

## Legislative Compliance Management Framework 2021



LC 2.10	Communications	To ensure staff, contractors and regular volunteers are aware of their obligation to report breaches of legislation to the appropriate Officer.	The obligation to report a legislative breach is not included within the code of conduct. No code of conduct exists or induction undertaken for regular contractors or volunteers.	Unable to assess.	That the obligation to report legislative breaches be included within the code of conduct. A condensed code of conduct/ induction be developed for regular contractors and volunteers.	See LC 2.2
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### LEGISLATIVE COMPLIANCE FRAMEWORK REVIEW

#### LC 3.0 Monitoring and Review

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 ACTIONS
LC 3.1	Legislative Compliance Register	A legislative compliance risk management tool used to record legislative compliance breaches for the Organisation.	2018 LCMF created	Reviewed, found to be contemporary	N/a	Created, sitting with the Manager of Governance, Research, Policy and Grants.
LC 3.2	Annual Compliance Audit Return	Annual return to be adopted by Audit Committee to meet Compliance with <i>Local Government Act 1995</i> .	Return appears appropriate.	The return provides an effective record of any noted compliance breaches of the <i>LGA 1995</i>	No further action.	Noted
No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 ACTIONS

## Legislative Compliance Management Framework 2021



<b>LC 3.3</b>	Audit and Risk Committee	An Audit Committee is required by the Local Government (Audit) Regulations 1996, and its composition and role is determined by those Regulations.	Audit and Risk Committee currently in place and meets at least once a year. The last meeting was held on 24 October 2014 with the external auditor with any identified legislative compliance breaches reported to the Committee.	Compliance Audit return reviewed annually by Audit committee.	No further action.	Noted
<b>LC 3.4</b>	Executive Management Group	Executive Management Group (EMG) establishes senior management leadership in relation to legislative compliance practices, monitors progress of the implementation and the effectiveness of the associated controls and systems.	EMG meets regularly and minutes meetings. Legislative compliance issues are raised where noted.	EMG appears effective at addressing noted compliance issues.	No further action.	Noted

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018 -21 ACTIONS
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## Legislative Compliance Management Framework 2021



LC 4.1	Monitoring Compliance	To ensure policies and other controls relating to legislative compliance are being adhered to by the organisation and their effectiveness is being monitored.	Annual compliance audit return is the only documented monitoring occurring.	Monitoring appears effective for <i>Local Government Act</i> 1995 compliance given the absence of any breaches noted. Effectiveness unable to be determined for other legislation.	That formal monitoring and reporting procedures be established as part of Legislative Compliance Strategy.	Newly appointed Manager of Governance, Research and Grants in October 2018 has the formal monitoring and reporting of legislative compliance as part of his position duties.
LC 4.2	Complaint Handling	To ensure a process exists to track complaints from the public and staff regarding legislative compliance.	Complaints are handled through the CEO by respective officers and associated documentation is appropriately filed. No complaints monitoring system in place or complaints register maintained.	Effectiveness unable to be determined as no complaint monitoring procedure in place.	That a complaints register be maintained to enable the monitoring and reporting of complaints received.	Newly appointed Manager of Governance, Research and Grants in October 2018 has the monitoring of complaints as part of his position duties.



LC 5.0 Continual Improvement

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	APPROPRIATENESS	EFFECTIVENESS	IMPROVEMENTS	2018-21 ACTIONS
LC 5.1	Ongoing Improvement Plan	Improvements in legislative compliance practices and to support the legislative compliance framework.	<p>The Manager of Governance, Research, Policy and Grants met with the DLGC mid 2017 for the 'Better Practice Review' which audited the Shire's policies and procedures.</p> <p>The Manager of Governance has actioned the audit recommendations, one of which including Recommendation 17, over the 17/18 year.</p>	Based on passing of annual audits	N/a	Continued employ of MGRP and addition of Research Officer in 2022 who will further support.

## COMPLIANCE DOCUMENTS

### Legislation Compliance Register

As per 3.1, a new 'Legislation Compliance Register' sits with the newly appointed Manager of Governance. This document will compile legislative compliance breaches within the organisation. A 2017 audit, the Department of Local Government and Communities 'Better Practice Review' provided recommendations for Council to improve areas required by new regulations under the Act.

### Complaints Register

As per 4.2 'Complaints Handling,' the recommendation to create a Complaints Register to detail any suspected or actual breaches of legislative compliance brought up by staff or the public.

New additions to the Complaints Register will require the notification to the CEO and the tabling of the Complaints Register to the next available Council Meeting.

### Overseeing Officer

The Manager for Governance will be responsible for the upkeep of these two registers.

# Shire of Christmas Island

## Risk Management Framework 2021



Version	Officer	Approved
2018, version 1	Chris Su	November 2018, 97/18
<b>2021, version 2</b>	<b>Chris Su</b>	-

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Prepared by	Date	Version
Governance, Research, Policy and Grants Officer – Chris Su <a href="mailto:chris@shire.gov.cx">chris@shire.gov.cx</a> 9164 8300 (237)	August 2018	1.0



## Introduction

This Risk Management Framework for the Shire of Christmas Island (“the Shire”) sets out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on Australia/New Zealand Standard ISO 31000:2009 Risk Management. This framework is one of three documents under Regulation 17.

It is essential that all areas of the Shire adopt these procedures to ensure:

1. Strong corporate governance.
2. Compliance with relevant legislation, regulations and internal policies. Integrated Planning and Reporting requirements are met.
3. Uncertainty and its effects on objectives is understood.

**This Framework aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.**

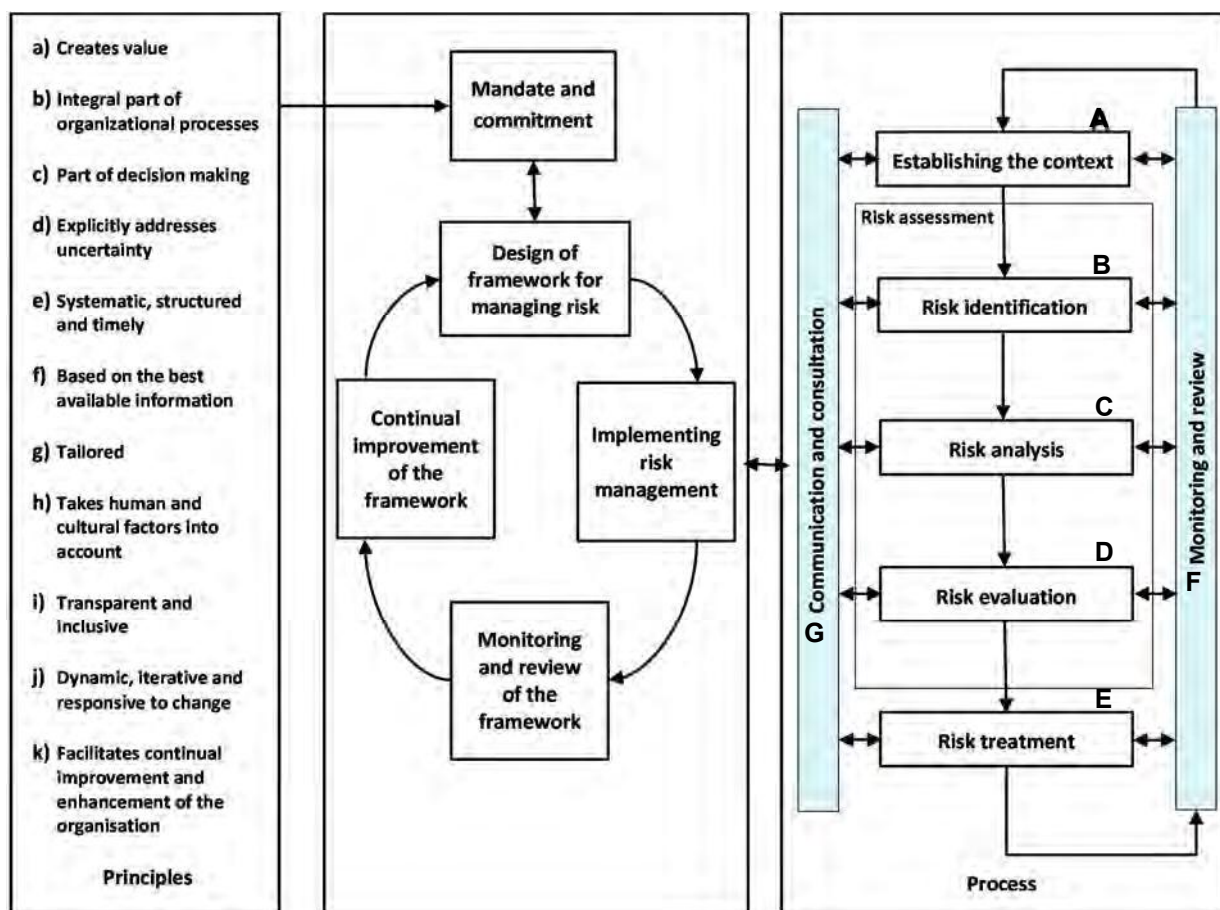


Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)

## **Risk Management Procedures**

### **Governance**

Appropriate governance of risk management within the Shire of Christmas Island (the "Shire") provides:

1. Transparency of decision making.
2. Clear identification of the roles and responsibilities of risk management functions.
3. An effective Governance Structure to support the risk framework.

### **Framework Review**

The Risk Management Framework is to be reviewed for appropriateness and effectiveness annually by the Governance, Research, Policy and Grants Officer in conjunction with the Managers of the Shire.

### **Operating Model**

The Shire has adopted a "Three Lines of Defence" model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, management and community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

### **First Line of Defence**

All operational areas of the Shire are considered '**First Line**'. They are responsible for ensuring that risks within their scope of operations are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

1. Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
2. Undertaking adequate analysis (data capture) to support the decision-making process of risk.
3. Prepare risk acceptance proposals where necessary, based on level of residual risk.
4. Retain primary accountability for the ongoing management of their risk and control environment.

## **Second Line of Defence**

The Executive Management Team (**MWS, MRS,MFA,CEO,MCS**) in their capacity as **Risk Committee** supports the second line of defence.

The **Risk Committee** acts as the primary '2nd Line'. This position owns and manages the framework for risk management, drafts and implements governance procedures and provides the necessary tools and training to support the 1st line process. The **CEO** as head of the **Risk Committee** instructs the **Governance, Research, Policy and Grants Officer** to support the **Risk Committee** in this process.

Example, maintenance of the Risk Management Framework is the responsibility of the **Risk Committee**.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1<sup>st</sup> & 3<sup>rd</sup> lines on the risk and control environment.

Support can be provided by additional input 1<sup>st</sup> Line Teams (where applicable).

Additional responsibilities include:

Providing independent oversight of risk matters as required.

Staff involved in school holiday water slide at Post Office Padang might advise supervising staff member on risks associated with crowd control

Monitoring and reporting on emerging risks.

For example, depot team members advising their line managers who in turn advise the MWS on any risks associated with a particular project. 2017 Golf Course Lookout pathway program had an additional risk of isolation from access road which would cause difficulty in taking injured parties to care. Staff mitigated this through rotation of workers to ensure adequate rest was had throughout the day with supplies of water on hand for refreshment.

### Third Line of Defence

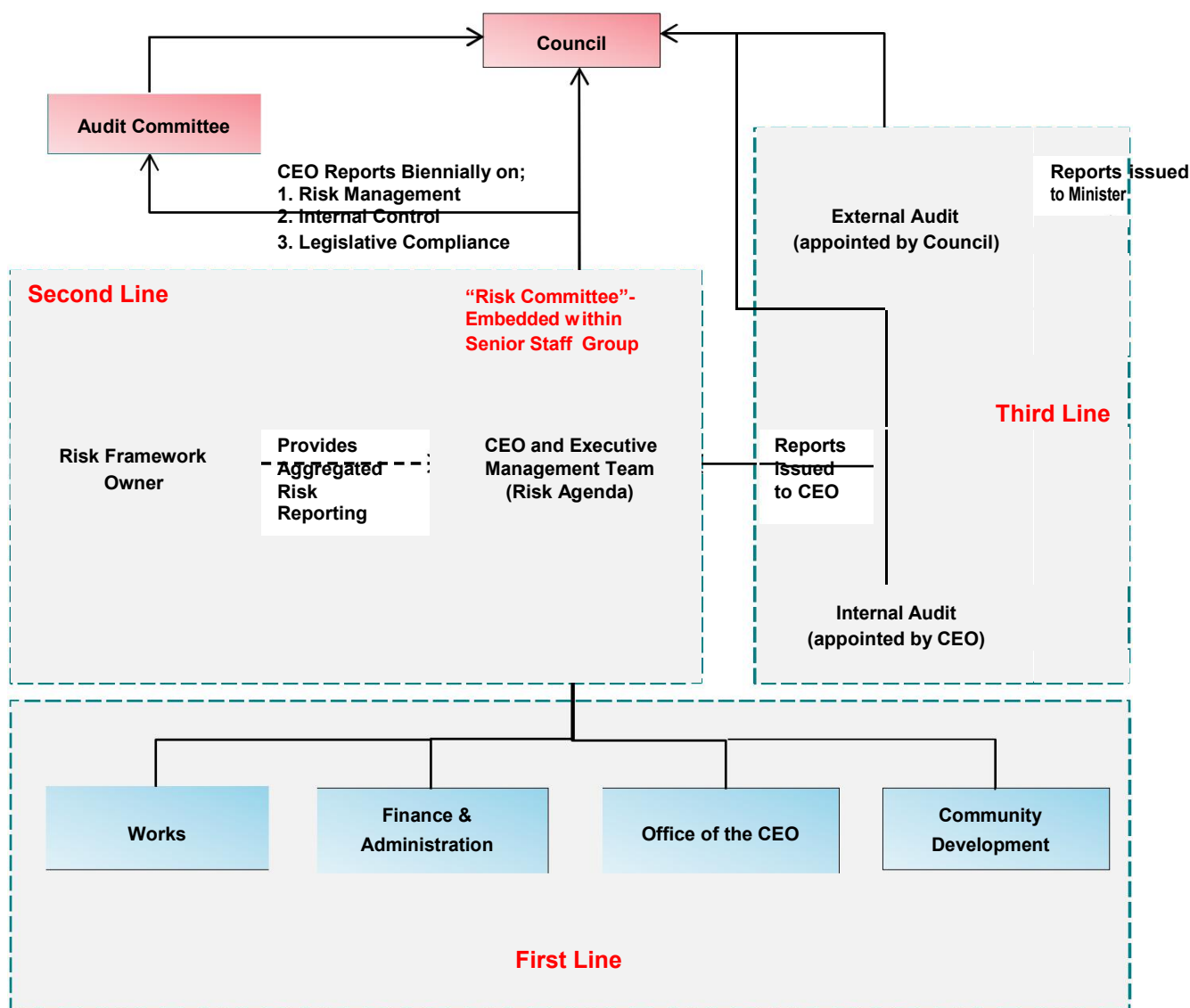
Internal self-audits & External Audits are the '**3<sup>rd</sup> Line**' of defence, providing assurance to the Council, Audit Committee and Executive Management Team on the effectiveness of business operations and oversight frameworks (1<sup>st</sup> & 2<sup>nd</sup> Line).

Internal Audit – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures.

External Audit – Appointed by the Council on the recommendation of the Audit Committee to report independently to the President and CEO on the annual financial statements only.

### **Governance Structure**

The following diagram depicts the current operating structure for risk management within the Shire.



## **Roles & Responsibilities**

### **CEO / Council**

Review and approve the Shire's Risk Management Policy and Risk Assessment & Acceptance Criteria.

Appoint / Engage External Auditors to report on financial statements annually.

Establish and maintain an Audit Committee in terms of the Local Government Act.

### **Audit Committee**

Support Council in providing effective corporate governance.

Oversight of all matters that relate to the conduct of External

Audits. Independent, objective and autonomous in deliberations.

Recommendations to Council on External Auditor appointments.

### **CEO / Executive Management Team**

Undertake internal Audits as required under Local Government (Audit) regulations. Liaise with Council in relation to risk acceptance requirements.

Approve and review the appropriateness and effectiveness of the Risk Management Framework.

Drive consistent embedding of a risk management culture.

Analyse and discuss emerging risks, issues and trends.

Document decisions and actions arising from risk matters.

Own and manage the risk profiles at a Shire Level.

### **Risk Framework Owner**

Oversee and facilitate the Risk Management Framework.

Support reporting requirements for risk matters.

### **Work Areas**

Drive risk management culture within work areas.

Own, manage and report on specific risk issues as required.

Assist in the Risk & Control Management process as required.

Highlight any emerging risks or issues accordingly.

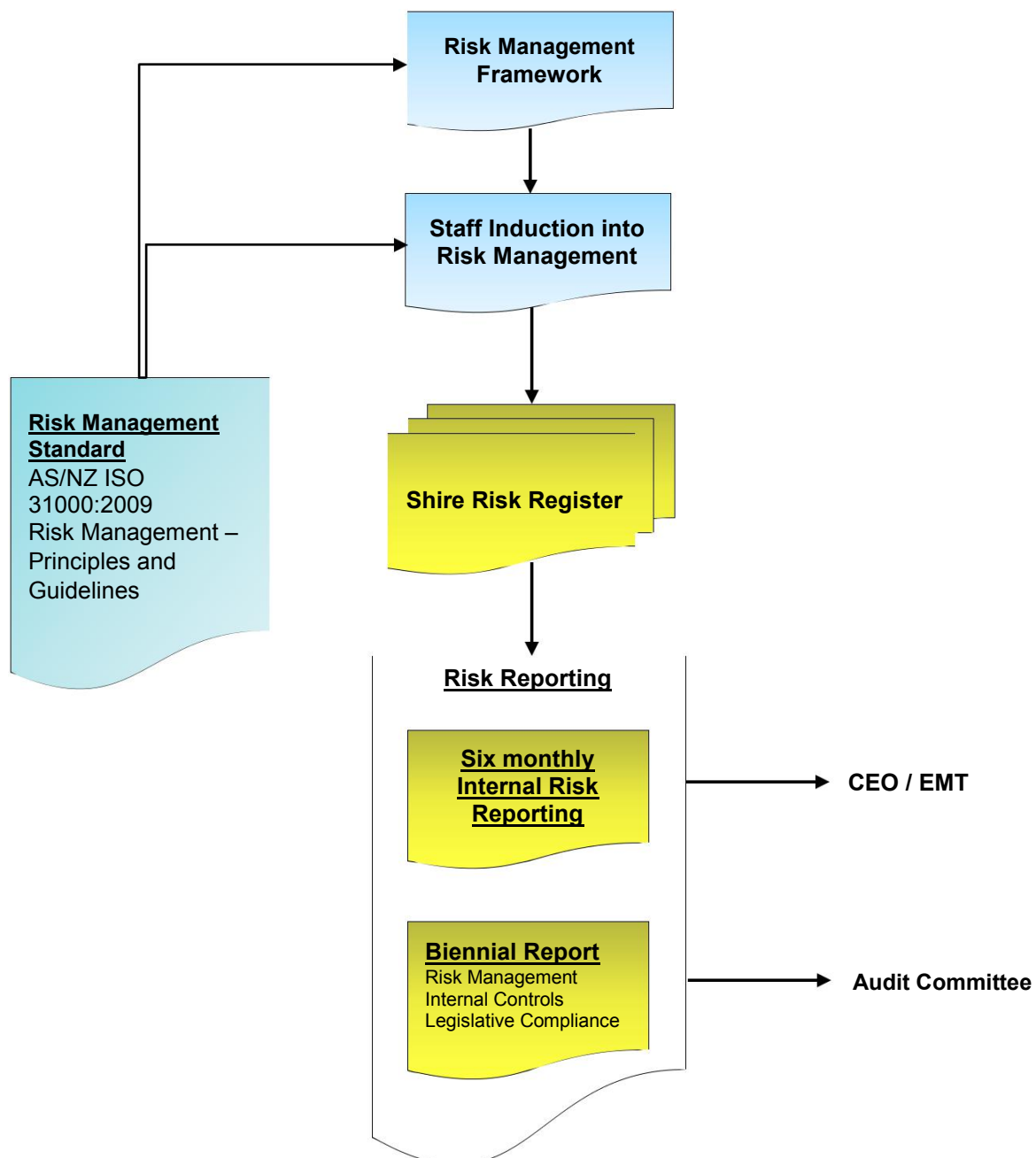
Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;

- New or emerging risks.

- Review existing risks.
- Control adequacy.
- Outstanding issues and actions.

### Document Structure (Framework)

The following diagram depicts the relationship between the Risk Management Framework, Staff Induction and supporting documentation and reports.



## Risk & Control Management

All Work Areas of the Shire are required to assess and manage their section's **Risk Register** on an ongoing basis.

The **Risk Register** template is found in Appendix B. Staff are to complete the template for collation within the team. The Manager of that section is responsible for

1. Making the **Risk Register** template easily available to members of their section,
2. Reviewing the **Risk Register** forms given to them and consulting with the staff member for clarity if needed
3. Assessing the appropriate risk management actions are taken to mitigate the risks
4. Updating the **Governance, Research, Policy and Grants Officer** every six months on their sections **Risk Register** for addition to a **Master Risk Register** for the Shire.

### Risk & Control Assessment

To ensure alignment with AS/NZ ISO 31000:2009 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective.

#### A: Establishing the Context

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed. This forms two elements.

##### 1. Organisational Context

The Shire's Risk Management Procedures provide the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix A) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix C) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

##### 2. Specific Risk Assessment Context

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process.

For risk assessment purposes the Shire has been divided into three levels of risk assessment context:

###### 1. Strategic Context

This constitutes the Shire's external environment and high-level direction. Inputs to establishing the strategic risk assessment environment may include;

Organisation's Vision

Stakeholder Analysis

Environment Scan / SWOT Analysis

## Existing Strategies / Objectives / Goals

### 2. Operational Context

The Shire's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its key activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

### 3. Project Context

Project Risk has two main components:

**Direct** refers to the risks that may arise as a result of project activity (i.e. impacting on current or future process, resources or IT systems) which may prevent the Shire from meeting its objectives

**Indirect** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

## **B: Risk Identification**

Using the specific risk assessment context as the foundation, and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

What can go wrong? / What are areas of uncertainty? (Risk

Description) How could this risk eventuate? (Potential Causes)

What are the current measurable activities that mitigate this risk from eventuating?  
(Controls)

What are the potential consequential outcomes of the risk eventuating? (Consequences)

## **C: Risk Analysis**

To analyse the risks, the Shire's Risk Assessment and Acceptance Criteria (Appendix A) is applied:

Based on the documented controls, analyse the risk in terms of Existing Control Ratings

Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)

Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)

By combining the measures of consequence and likelihood, determine the risk rating  
(Level of Risk)



## **D: Risk Evaluation**

The Shire is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)

- Existing Control Rating

- Level of Risk

- Risk Acceptance Criteria (Appendix

- A) Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and acceptable risks are then subject to the monitor and review process. Note: Individual Risks or Issues may need to be escalated due to urgency, level of risk or systemic nature.

## **E: Risk Treatment**

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit

- Ease of implementation

- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Risk Framework Owner is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

## **F: Monitoring & Review**

The Shire is to review all Risk Profiles at least on a six monthly basis or if triggered by one of the following;

- Changes to context,

- A treatment is implemented,

- An incident occurs or due to audit/regulator findings.

The Risk Framework Owner is to monitor the status of risk treatment implementation and report on, if required.

The CEO & Executive Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme

Risks with Inadequate Existing Control Rating

Risks with Consequence Rating of Extreme

Risks with Likelihood Rating of Almost Certain

The design and focus of the Risk Summary report will be determined from time to time on the direction of the CEO & Executive Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Shire.

### **G: Communication & Consultation**

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

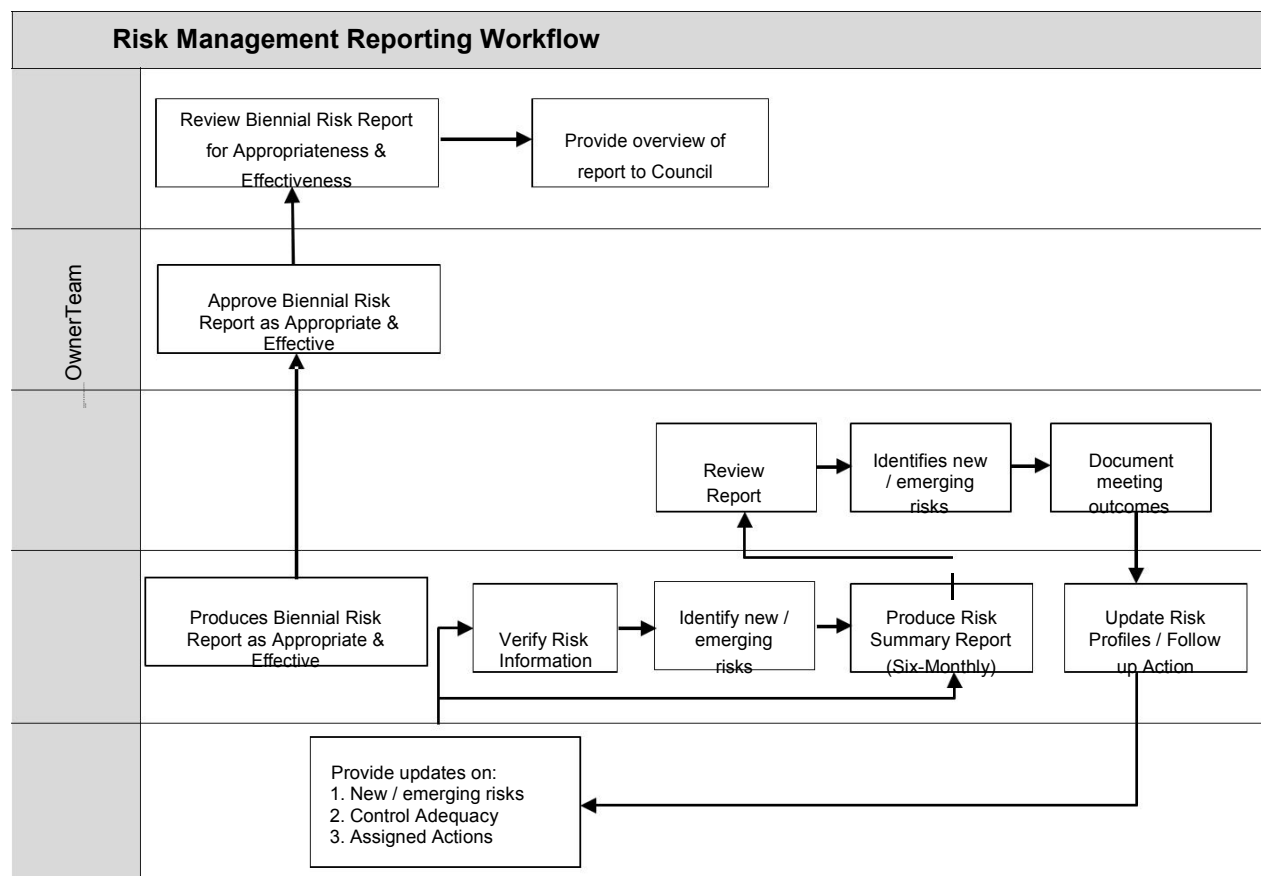
Risk management awareness and training will be provided to staff as part of their OS&H Program.

Risk management will be included within the employee induction process to ensure new employees are introduced to the Shire's risk management culture.

## Reporting Requirements

### Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

1. They continually provide updates in relation to new and emerging risks, control effectiveness and indicator performance to their Managers.
2. Work through assigned actions and provide relevant updates to the **Risk Register**
3. Risks / Issues reported to the CEO & Executive Management Team are reflective of the current risk and control environment.

The Manager of each section is responsible for:

1. Ensuring their **Risk Register** for their section is desktop reviewed, at least on a six monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment.
2. Submitting their sections **Risk Register** to the **Governance, Research, Policy and Grants Officer** on a six-monthly basis for addition to the **Master Risk Register** at the Shire.

## Indicators

Indicators are required to be used for monitoring and validating risks and controls. The following describes the process for the creation and reporting of Indicators.

### 1. Identification

The following represent the minimum standards when identifying appropriate Indicator risks and controls:

- The risk description and causal factors are fully understood

- The Indicator is fully relevant to the risk or control

- Predictive Indicators are adopted wherever possible

- Indicators provide adequate coverage over monitoring risks and controls

### 2. Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the Indicator data is relevant to the risk or control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping Indicators can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the Indicator, the data is required to be revalidated to ensure reporting of the Indicator against a consistent baseline.

### 3. Tolerances

Tolerances are set based on the Shire's Risk Appetite. They may be set and agreed over three levels:

- Green – within appetite; no action required.

- Amber – the Indicator must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.

- Red – outside risk appetite; the Indicator must be escalated to the CEO & Executive Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

### 4. Monitor & Review

All active indicators are updated as per their stated frequency of the data source.

When monitoring and reviewing indicators, the overall trend should be considered over a longer timeframe than individual data movements. The trend of the indicators is specifically used as an input to the risk and control assessment.

## **Risk Acceptance**

Day-to-day operational management decisions are generally managed under the delegated authority framework of the Shire.

Risk Acceptance outside of the appetite framework is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix A – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those outside appetite framework identified risks.

The 'Risk Acceptance' must be in writing, signed by the relevant Manager and cover:

1. A description of the risk.
2. An assessment of the risk (e.g. Impact consequence, materiality, likelihood, working assumptions etc)
3. Details of any mitigating action plans or treatment options in place  
An estimate of the expected remediation date.

Reasonable action should be taken to mitigate the risk. A lack of budget to remediate a material risk outside of appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (i.e. Executive Management Team)

## Shire Master Risk Register Plan

The **Shire Master Risk Register** compiles all of the risks submitted to the **Governance, Research, Policy and Grants Officer** from the **Managers** over the year.

The **Governance, Research, Policy and Grants Officer** is tasked with liaising with **Managers** to ensure that they have adequate resources to mitigate the risks identified to them, or by them in their section.

The Shire Master Risk Register needs to consider the following components.

1. Consider control coverage across a range of risk themes (where commonality exists).
2. Building profiles around material controls to assist in mitigation of risk
3. Consideration to significant incidents. Nature of operations
4. Additional or existing 2<sup>nd</sup> line assurance information / reviews (e.g. HR, Financial Services) Frequency of monitoring / checks being performed
5. Review and development of Indicators Timetable for assurance activities
6. Reporting requirements
7. Coverage of all risk classes (Strategic, Operational, Project)



## Appendix A – Risk Assessment and Acceptance

## Criteria

### BOX – 1 CONSEQUENCE

Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
<b>Insignificant (1)</b>	Near-Miss or First Aid	Less than \$2,000	No material service interruption -backlog cleared < 6 hours	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
<b>Minor (2)</b>	Medical type injuries	\$2,001 - \$15,000	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
<b>Moderate (3)</b>	Lost time injury > 14 Days	\$15,001 - \$200,000	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
<b>Major (4)</b>	Long-term disability / multiple injuries	\$200,001 - \$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
<b>Extreme (5)</b>	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





BOX 2 – 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

BOX 3 - RISK MATRIX						
Consequence		Insignificant	Minor	Moderate	Major	Extreme
Likelihood		1	2	3	4	5
	Almost Certain	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)



Risk Rank	Description	Criteria	Responsibility
<b>LOW (1-4)</b>	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager
<b>MODERATE (5-9)</b>	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager
<b>HIGH (10-16)</b>	Urgent Attention Required	Risk acceptable with excellent controls, managed by executive management and subject to monthly monitoring	CEO
<b>EXTREME (17 -25)</b>	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

## Appendix B – Risk Register Template

Identified Risk	Date:
What could go wrong?	

Potential Causes
What could cause it to go right / wrong?

Danger Indicators
What are some signs that the risk might occur

Controls in Place	Officer in Charge
What we have in place to prevent it going wrong at the moment (if any)	

<b>Consequence Category</b> (Refer to Box 1 – Consequences)	<b>Likelihood Category</b> (Refer to Box 2 – Likelihood)	<b>Overall Risk Matrix Score:</b> (Refer to Box 3 - Risk Matrix)

<b>Based on Risk Matrix Score, who is the Officer in charge of managing Risk</b> (refer to Box4 “Officer Responsible for Managing Risk”)

<b>Staff Member reporting Risk</b>	<b>Date of submission to Manager</b>
Name:	
Signature:	

<b>Manager in receipt of Risk</b>	<b>Date of Submission to Policy officer</b>
Name:	
Signature:	

Policy Officer to confirm in writing to Manager receipt of Risk Register Template and addition to the Master Risk Register

## Appendix C – Risk Theme Definitions

### **Misconduct**

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

1. Relevant authorisations not obtained. Distributing confidential information.
2. Accessing systems and / or applications without correct authority to do so. Misrepresenting data in reports.
3. Theft by an employee
4. Collusion between Internal & External parties

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

### **External theft & fraud (Inc. Cyber Crime)**

Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic), for the purposes of;

1. Fraud – benefit or gain by deceit  
Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
2. Theft – stealing of data, assets or information (no deceit)

Examples include:

Scam Invoices  
Cash or other valuables from 'Outstations'.

### **Business & community disruption**

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal Shire business activities. The event may result in damage to buildings, property, plant & equipment (all assets). This could be a natural disaster, weather event, or an act carried out by an external party (Inc. vandalism). This includes;

1. Lack of (or inadequate) emergency response / business continuity plans.
2. Lack of training to specific individuals or availability of appropriate emergency response. Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
3. Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".

### **Errors, omissions, delays**

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This includes instances of;

1. Human errors, incorrect or incomplete processing
2. Inaccurate recording, maintenance, testing and / or reconciliation of data.
3. Errors or inadequacies in model methodology, design, calculation or implementation of models.

This may result in incomplete or inaccurate information. Consequences include;

1. Inaccurate data being used for management decision making and reporting.  
Delays in service to customers
2. Inaccurate data provided to customers. This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".

### **Failure of IT &/or Communications Systems and Infrastructure**

Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

1. Hardware &/or Software IT Network
2. Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

1. Configuration management Performance Monitoring  
IT Incident, Problem Management & Disaster Recovery Processes

This does not include new system implementations - refer "Inadequate Project / Change Management".

### **Failure to fulfil statutory, regulatory or compliance requirements**

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

This does not include Occupational Safety & Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices")

It does include the Local Government Act, Health Act, Building Act, Privacy Act and all other legislative based obligations for Local Government.

### **Providing inaccurate advice / information**

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff. This could be caused by using unqualified staff, however it does not include instances relating Breach of Authority.

### **Inadequate project / change Management**

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes. This includes:

1. Inadequate Change Management Framework to manage and monitor change activities. Inadequate understanding of the impact of project change on the business.
2. Failures in the transition of projects into standard operations. Failure to implement new systems
3. Failures of IT Project Vendors/Contractors

### **Inadequate Document Management Processes**

Failure to adequately capture, store, archive, retrieve, provision and / or disposal of documentation. This includes:

1. Contact lists.
2. Procedural documents.
3. 'Application' proposals/documents.
4. Contracts, Tenders
5. Forms, requests or other documents.

### **Inadequate safety and security practices**

Non-compliance with the Occupation Safety & Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

1. Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
2. Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
3. Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
4. Public Liability Claims, due to negligence or personal injury.
5. Employee Liability Claims due to negligence or personal injury. Inadequate or unsafe modifications to plant & equipment.

**Inadequate engagement practices**

Failure to maintain effective working relationships with the Community Stakeholders, Private Sector, Government Agencies and / or Elected Members. This invariably includes activities where communication, feedback and / or consultation is required and where it is in the best interests to do so.

**Inadequate asset sustainability practices**

Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. Areas included in the scope are;

1. Inadequate design (not fit for purpose) Ineffective usage (down time)
2. Outputs not meeting expectations Inadequate maintenance activities.
3. Inadequate financial management and planning.

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

**Inadequate Supplier / Contract Management**

Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.

**Ineffective management of facilities / venues / events**

Failure to effectively manage the day to day operations of facilities and / or venues. This includes;

1. Inadequate procedures in place to manage the quality or availability.
2. Booking issues
3. Financial interactions with hirers / users
4. Oversight / provision of peripheral services (e.g. cleaning / maintenance)



### **Behind Closed Doors**

#### **Recommendation:**

**The meeting be closed to members of the public in accordance with section 5.23(2) of the Local Government Act 1995 for council to discuss matters of a confidential nature.**

**Meeting Reopened to the Public:**

**Recommendation:**

**The meeting be reopened to members of the public**