



Shire of Donnybrook-Balingup
Organisational Risk Management

ACTION PLAN

July 2015 – December 2016

Background

The Shire of Donnybrook-Balingup recognises the importance of managing risk. As such the Shire is committed to managing risks that may impact the achievement of its strategies, goals and objectives. The Shire's objectives in regards to Organisational Risk Management are:

- To ensure Risk Management is adopted and integrated throughout the Shire as a management practice;
- To ensure all employees are aware of the need to manage risk and encourage a culture of participation in the Risk Management Process;
- To protect the Shire from adverse incidents, to reduce its exposure to loss and to mitigate and control loss should it occur;
- To ensure the ongoing capacity of the Shire to fulfil its vision, perform its key functions, meet its objectives and serve its customers;
- To aid effective governance and adherence to relevant legislation and Australian or International Standards;
- To reduce the costs of risk to the Shire.

The Shire strives to achieve best practice in the management of all risks that threaten to affect the Shire, its customers, people, assets, functions, objectives, operations or the community. The Risk Management Process detailed in *AS/NZS ISO 31000:2009 Risk Management* has been adopted to realise this.

Action Plan

In November 2014 AMD Chartered Accountants were engaged by the Shire of Donnybrook-Balingup to undertake an external assessment on the appropriateness and effectiveness of the Shire's implemented Risk Management systems and procedures, in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996*. These areas included:

- Risk Management;
- Internal Controls; and
- Legislative Compliance.

Following the review AMD presented a Report to Management and Council which contained findings and recommendations. The purpose of this Action Plan is to detail the specific tasks and timelines for the recommendations to be addressed, whether in part or in full as considered appropriate by the Shire based on level of risk and available resources. The Action Plan will form part of the Shire's Risk Management Framework and as a result will enable the Shire to continue its progression in this key area and provide a point of reference for the next required review.

Guide to implementing the Action Plan

The Action Plan is presented using a table to outline the following steps:

- The 23 total recommendations identified in the Regulation 17 Audit Report by AMD are included;
- A total of 41 specific tasks to achieve each of the requirements are listed;
- A timeline is set for each task to be completed by ;
- A Shire staff member is given the responsibility of implementing each task;
- Details of actions undertaken are recorded by the responsible person for each task and provided to the Shire's Chief Executive Officer when requested, including completion dates or updated timeline where required. The information will be used for monitoring and reporting purposes.

AREA 1: RISK MANAGEMENT

Recommendation	Task/s	Timeline	Responsibility	Details of Actions
<p>1. Implement an overall Shire Risk Management Framework encompassing current risk policies and procedures linked to the current risk register in place.</p> <p>Include a Council media release/spokesperson policy, litigation/claims policy, fraud/misconduct policy, and environmental risk policy.</p> <p>The Risk Management Framework should be adopted by Council on an ongoing basis.</p>	<p>1. Review and amend the Shire's current Risk Management Framework to ensure it is clear that it encompasses all activities and functions of the Shire, including all adopted policies and procedures.</p> <p>2. Update all Shire Policies to include a statement that refers to the Shire's Risk Management Framework in terms of their application.</p> <p>3. Develop and present to Council for adoption four new Shire policies:</p> <ul style="list-style-type: none"> a. Media Release/ Spokesperson b. Litigation/Claims c. Fraud/Misconduct d. Environmental Risk <p>4. Present the Shire's Risk Management Framework to the Audit Committee & Council annually for review.</p>	<p>March 2016</p> <p>May 2016</p> <p>May 2016</p> <p>December annually</p>	<p>Principal Environmental Health Officer</p> <p>Governance Officer</p> <p>Governance Officer</p> <p>Principal Environmental Health Officer</p>	<p>Completed - Amended Document - JS Mar 2016</p> <p>Completed – paragraph added to Risk Policy.</p> <p>This will be done as part of the annual review of Council policies in April/May 2016.</p> <ul style="list-style-type: none"> a. Media Release/spokesperson policy adopted April 2016. b. Unsure what required; c. F & M covered in Code of Conduct; d. Unsure what required

Recommendation	Task/s	Timeline	Responsibility	Details of Actions
<p>2. Develop, adopt and implement a Business Continuity Plan, incorporating a Disaster Recovery Plan.</p>	<p>5. Prepare a draft Business Continuity Plan which incorporates a Disaster Recovery Plan and procedures.</p>	<p>December 2016</p>	<p>Manager Development & Environmental Services</p>	<p>LGIS to be engaged to commence work on BCP in April/May 2016</p>
<p>Include the following as a minimum in the Plan:</p> <ul style="list-style-type: none"> • an impact analysis establishing various scenarios and their efficient resolution including logistical as well as IT related issues • Consideration and evaluation of temporary alternative sites from which significant operating functions can be conducted in the event of unforeseen events • ensuring critical business functions can be completed whilst IT systems are unavailable 	<p>6. Present the draft BCP to Council for adoption.</p>	<p>July 2016</p>	<p>Chief Executive Officer</p>	<p>LGIS have provided a cost estimate to work with Council staff to prepare a Business Continuity Plan. Staff are currently investigating options to fund this program. IT Business Continuity will be addressed as part of this process.</p>
<p>The Plan should be developed in consultation with relevant staff and third party suppliers, communicated to all staff, implemented and monitored on a regular basis.</p>	<p>7. Communicate BCP to all staff once adopted.</p>	<p>July 2016</p>	<p>Manager Development & Environmental Services</p>	
<p>Develop procedures to identify when changes are required to the plan as a result of IT infrastructure changes.</p>	<p>8. Test the BCP, record results, and update/review annually, including communicating to all staff.</p>	<p>October annually (after adoption)</p>	<p>Manager Development & Environmental Services</p>	
<p>Test the plan annually and the</p>				

Recommendation	Task/s	Timeline	Responsibility	Details of Actions
<p>results from the test to be documented along with corrective action taken to eliminate weaknesses.</p>				
<p>3. Provide regular risk reports to the Audit Committee and Council which identify key risks, the status and effectiveness of the risk management systems in place at the Shire, risk monitoring, new risks identified and how risks have been mitigated/treated.</p>	<p>9. Present the Shire's Strategic Risk Register to the Audit Committee twice yearly (combine with Task 4).</p>	<p>February & December annually</p>	<p>Chief Executive Officer</p>	<p>Council is now being provided with an update of the Risk Management Action Plan at each Audit Committee meeting. An optional heading has been created within Council's standard agenda template for use when appropriate. The risk register was provided to the last Audit Committee meeting held in November 2015.</p>
<p>Tabling the documented risk register at an Audit Committee and/or Council meeting on a periodic basis may be considered adequate to address this issue.</p>	<p>10. Include a Risk Report section in all Audit Committee agendas.</p>	<p>As required</p>	<p>Executive Assistant</p>	
<p>Include a standing agenda item to the Audit Committee meeting agenda for risk reports to be tabled.</p>				
<p>4. Consider forming a Risk Management sub-committee which is in charge of managing the Risk Management Framework and all it encompasses. This committee would include key management and provide regular risk reports to the Audit Committee.</p>	<p>11. Ensure risk management is standard agenda item at Executive Management Team meetings.</p>	<p>Weekly</p>	<p>Chief Executive Officer</p>	<p>Agenda for all EMT meetings contain a standard agenda item. Sub-committee not supported due to size of organisation and staffing levels.</p>
<p>5. Update Occupational Health and Safety Policy and Procedure</p>	<p>12. Review and update OHS Policy and Manual.</p>	<p>June 2016</p>	<p>Manager Development &</p>	<p>The OHS policy reviewed annually. The OHS manual</p>

Recommendation	Task/s	Timeline	Responsibility	Details of Actions
Manual to reflect the last review date and the date the next review will be conducted.			Environmental Services	that includes procedures will be progressively reviewed at each OHS safety representative committee meeting.
All policies and procedures should document the last and next review dates.	13. Include the last review date and the next review date on all Shire policies and procedures.	May 2016	Governance Officer	Completed -This process is in place.
When policies and procedures are updated, references to legislation and standards should be checked to ensure the current version is being referred to.	14. Ensure current legislation and standards are checked when policies and procedures are reviewed/updated.	May annually	Governance Officer	Completed - Council's Governance Officer ensures current legislation and standards have been checked when policies and procedures are updated in April/May each year.
6. Develop a signature sample register for all persons authorised for payments/orders.	15. Arrange a register of all authorised persons listing a sample of signatures and purchase order/payment amount limits.	June 2016	MFA/ Project Officer	Completed - A table of priorities and relevant purchasing thresholds exists in the Shires Accounting Manual. Samples of staff signatures are recorded in the Manager Finance and Administration's copy of the Accounting Manual.

AREA 2: INTERNAL CONTROLS

Recommendation	Task/s	Timeline	Responsibility	Details of Actions
7. Finalise and adopt the draft Project Management Plan	16. Finalise the Project Management Plan template for use with major	June 2016	Chief Executive Officer	

Recommendation	Task/s	Timeline	Responsibility	Details of Actions
<p>template.</p> <p>Undertake formal performance management assessments as per the WALGA guidelines at the completion of tender periods once goods/services have been tendered, and utilise compliance checklists in managing project contracts.</p> <p>Include KPI's/ performance criteria, monitoring and performance assessment procedures, and action as a result of underperformance, within formal legal contracts.</p>	<p>projects and present to Council for adoption.</p> <p>17. Update the Project Completion Report template in the Project Management Plan template (as per above task) to reflect WALGA guidelines.</p> <p>18. Consider setting KPI's/ performance criteria, monitoring and performance assessment procedures, and action as a result of underperformance, within formal legal contracts for major Shire projects.</p>	<p>June 2016</p> <p>February 2016</p>	<p>Executive Assistant</p> <p>Executive Management Team</p>	
<p>8. Develop a Grant Fund Summary Plan specifying grant funding contracts relevant for the current financial year, project description, amount, key milestone dates and reporting dates.</p>	<p>19. Develop and implement a Grant Summary Plan and communicate to all staff.</p>	<p>March 2016</p>	<p>Manager Finance & Administration</p>	<p>Completed - Grant Register has been established and is reviewed monthly by the EMT.</p> <p>All relevant staff have been made aware of the register and requirement to keep it updated.</p>
<p>9. Develop and implement an ongoing security awareness program to ensure security needs of the Shire are updated as required (for example due to IT infrastructure or application changes) and to prevent any security breaches from occurring.</p> <p>This could be incorporated as part</p>	<p>20. Develop a procedure detailing the process for communicating changes to staff when security measures are updated, including for IT hardware/software.</p>	<p>June 2016</p>	<p>Manager Finance & Administration</p>	