

AUDIT COMMITTEE MEETING

MINUTES



For the Audit Committee Meeting held on

20 April 2022

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MINUTES

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chief Executive Officer, Linda Gray declared the meeting open at 1:37pm. The Chief Executive Officer alerted the meeting to the procedures for emergencies including evacuation, designated exits and muster points.

2. ELECTION OF DEPUTY PRESIDING MEMBER

The Chief Executive Officer called for nominations for the position of Deputy Presiding Member of the Audit and Risk Committee.

Cr Horrocks was nominated for the position of Deputy Presiding Member and indicated his willingness to accept the position. There being no further nominations the Chief Executive Officer declared Cr Horrocks elected unopposed to the position of Deputy Presiding Member.

Cr Horrocks assumed the Chair.

3. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

2.1 ATTENDANCE

Councillors

Cr PM (Peter) Beech
Cr RW (Robert) Johnson
Cr JA (Jen) Quick
Cr P (Perin) Mulcahy
Cr DM (Daisy) Egerton-Warburton
Cr PL (Phil) Horrocks
Cr G (George) Pollard

Chief Executive Officer
Manager of Finance & Administration
Minute Taker

Ms LA (Linda) Gray
Mrs DE (Diana) Marsh
Mrs JL (Jo) Scott

Members of the Public

2.2 APOLOGIES

Manager of Works

Mr JE (Jeff) Alderton

2.3 APPROVED LEAVE OF ABSENCE

Chairperson

Cr PW (Peter) Slater

Moved Cr Quick, seconded Cr Pollard to grant Cr Casson a leave of absence from the Audit Committee Meeting on 20 April 2022.

Carried 7/0

Councillor

LM (Lee) Casson

4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 AUDIT COMMITTEE MEETING – 16 March 2022

Moved Cr Egerton-Warburton, seconded Cr Quick that the minutes from the Audit Committee Meeting held on 16 March 2022, be confirmed as a true and correct record.

Carried 7/0

5. GENERAL BUSINESS

5.1	POLICY - PUBLIC INTEREST DISCLOSURE
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Linda Gray – Chief Executive Officer
FILE REFERENCE:	GO17
APPLICANT:	N/A
DATE OF REPORT:	12 April 2022
ATTACHMENTS:	Draft Policy – Public Interest Disclosure Policy

Purpose

The purpose of this report is for the Audit and Risk Committee to consider recommending a new policy to Council to facilitate the reporting of public interest information and provide protection for those who report this information under the Public Disclosure Act 2003 (PID Act) and to identify those within the Shire of Cranbrook who are appointed as Public Interest Disclosure Officers.

Background

The public interest disclosure process enables people to disclose certain types of wrongdoing covered by the PID Act, and where required, ensures that someone investigates the information and acts. It is a process within government to deal with matters of a serious nature which, if resolved, would serve the public good. A public interest disclosure is more than a general complaint or dissatisfaction with a product, service or decision of government. It is also more than a personal grievance that can be resolved by agreement. A public interest disclosure must relate to wrongdoing, not be trivial and must be made to the right person (being a proper authority). A public Interest disclosure must be managed according to the PID Act and once made, the person making the disclosure cannot withdraw it.

Officer's Comment

The PID Act protects Elected Officers, employees, and contractors if they make an appropriate disclosure to a proper authority. Protections under the PID Act include immunity from civil or criminal liability, disciplinary action, dismissal and termination of employment for any breach of duty of secrecy or confidentiality that may apply as a result of someone making the disclosure. The processes and procedures are set by the Public Interest Disclosure Act 2003 and the Public Interest Disclosure Regulations 2003.

Whilst past history has shown that often it is senior managers or Chief Executive Officers that are the ones that engage in wrongdoing, it is recommended to also have as a Public Interest Disclosure Officer someone amongst the staff who is familiar with the processes of making a report and is approachable and available to other employees for this reason, I would recommend the Community Development Manager's position.

Statutory Environment

Public Interest Disclosure Act 2003
Public Interest Disclosure Regulations 2003

Policy Applicable – Implications

There is no Council policy applicable to this report.

Financial Implications

There are no financial implications for this report

Risk Implications

The risks associated with matters in this report are:

- Misconduct
- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes

The **impacts** of the risk are: Financial, Non-Compliance, Reputational

The **consequences** of these risks are considered to be: Major

The **likelihood** is: Possible

Hence the **risk rating** for this report is: Medium

Strategic Community Plan Reference

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

Outcome 16 – High Performing Shire: An accountable and respected Shire, investing in its people and structures.

Deliverable 16.1: A Shire and supporting entities are well-governed with delineated roles and accountabilities.

Consultation

Consultation for this report included the Chief Executive Officer and Community Development Manager.

General Discussion:

Cr Horrocks asked if the position could be delegated to either a Councillor or community member.

Cr Beech declared his intent to keep the position internal.

Cr Egerton-Warburton wanted it to be clear that if the position was going to be delegated to an internal employee that they wouldn't feel as though their job was at risk for broaching matters brought to their attention, the CEO, Linda Gray noted that the employee would have training available to them to deal with matters if they were to arise.

Voting Requirements

Absolute Majority

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

Moved Cr Egerton-Warburton, seconded Cr Mulcahy that the Audit and Risk Committee recommends that:

1. Council adopts the new draft policy – Public Interest Disclosure.
2. Council appoints the Chief Executive Officer and Community Development Manager as the Public Interest Disclosure officers for the Shire of Cranbrook.

Carried 7/0

5.2 POLICY REVIEW - PURCHASING

RESPONSIBLE OFFICER:	Diana Marsh – Manager of Finance and Administration
REPORT AUTHOR:	Diana Marsh – Manager of Finance and Administration
FILE REFERENCE:	GO17
APPLICANT:	N/A
DATE OF REPORT:	12 April 2022
ATTACHMENTS:	Revised Policy 4.8 - Purchasing

Purpose

The purpose of this report is for the Audit and Risk Committee to recommend to Council the adoption the revised Policy 4.8 - Purchasing.

Background

The Local Government (Functions and General) Regulations 1996 r.11A requires local governments to have a purchasing policy to govern control requirements for purchases below the \$250,000 tender limit.

The Shire of Cranbrook manages millions of dollars in community assets and spent over \$6.7 million maintaining those assets and in operations over the last financial year. Good procurement practices promoting probity, accountability and transparency are essential to managing procurement risks and delivering good outcomes for the community. While legislation and/or regulation provides a minimum standard of requirements on local governments, strong internal controls and good governance are essential.

Policy is an important tool of Council as it provides the specific instructions of Council to staff and specifies the approved standard of operations. The purchasing policy should be regularly reviewed to assess if value thresholds and quotation requirements reflect current needs, and to be clear about when and how to apply exemptions. The policy must maintain a high level of control, yet not hinder the ability to get the job done.

Officer's Comment

The intent and much of the content of the draft policy attached remains the same as earlier versions. The main changes are within the purchasing thresholds and the inclusion of procurement exceptions. The Shire of Cranbrook, as with many other rural and remote local government, often has difficulty obtaining quotes from suppliers. This policy includes a threshold range which reduces the minimum number of quotes received for purchases between the value of above \$5,000 and up to \$50,000 to two quotes to aid and promote policy compliance, while maintaining control over purchasing.

The Shire of Cranbrook has regular and non-contestable payments that tend to sit outside general purchasing parameters. These payments are identified in the policy under Procurement Exceptions and will not require quotation or purchase orders. Types of payments exceptions include utility payments, payments to the Australian Taxation Office, insurance payments, regular subscriptions and licenses. A list of payment exceptions will be maintained by finance staff and approved by the Chief Executive Officer.

Points that were duplicated or are covered by delegations or other policies have been omitted to focus attention on this policy.

These minor omissions include:

- creditors payment listing which has a separate requirement to be reported to Council,
- Bank signatories – delegation, and
- Work Health and Safety.

An essential part of good procurement is the ability to show compliance with legislation and policy. This policy gives guidance on where verbal and written quotations are appropriate to be used and the documentation needed. The Quotation Form in Appendix A is included guide staff though this process.

Statutory Environment

Local Government (Functions and General) Regulations 1996

Policy Applicable – Implications

A separate Regional Price Preference Policy is required

Financial Implications

There are no financial implications for this report

Risk Implications

The risks associated with matters in this report are:

- Misconduct
- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes

The **impacts** of the risk are: Financial, Non-Compliance, Reputational

The **consequences** of these risks are considered to be: Major

The **likelihood** is: Possible

Hence the **risk rating** for this report is: Medium

Risk mitigation includes staff training and ongoing monitoring for compliance with policy

Strategic Community Plan Reference

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

Outcome 16 – High Performing Shire: An accountable and respected Shire, investing in its people and structures.

Deliverable 16.1: A Shire and supporting entities are well-governed with delineated roles and accountabilities.

Consultation

Consultation for this report included the Chief Executive Officer, Manager of Works, and Accounts Officer.

Voting Requirements

Absolute Majority

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

Moved Cr Johnson, seconded Cr Pollard that the Audit and Risk Committee recommends that Council adopt the revised Policy 4.8 - Purchasing.

Carried 7/0

5.3	POLICY MANUAL REVIEW
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Linda Gray – Chief Executive Officer
FILE REFERENCE:	GO17
APPLICANT:	N/A
DATE OF REPORT:	7 April 2022
ATTACHMENTS:	Policy Manual

Purpose

The purpose of this report is for the Audit and Risk Committee to consider recommending to Council the adoption of the revised Policy Manual.

Background

Under Section 2.7(2b) of the Local Government Act 1995, the Council is to determine the Local Government’s policies. Each year the Policy Manual is presented to Council for review with minor amendments. Where amendments are significant or the policy is new then the policy will be included as an individual agenda item. These policies will guide the decision-making and actions of the Council, Executive Management Team and staff throughout the year.

Officer’s Comment

The Executive Management Team and staff have reviewed the current policy manual and as a result there are some amendments and improvements to existing policies that are recommended this year, to reflect current practice and new legislation such as the replacement of the old Occupational Safety and Health Act 1984 with the new Work Health and Safety Act 2020 which came into effect on 31 March 2022.

It is not necessary to map a policy to the objectives of the new Strategic Community Plan 2021–2031, but these relevant documents will need to be listed for the benefit of new employees so that they can familiarise themselves further on the Shire of Cranbrook’s strategic planning documents.

The description of Manager Corporate and Community will be replaced throughout the Policy Manual by Manager of Finance and Administration.

In consultation with staff, it was decided that the Version Control should be updated individually as all policies are reviewed but not amended, and this needs to be clearer to the reader. The format will be as follows:

Adopted	Date
Reviewed	Date
Reviewed and amended	Date

The amendments include:

GOVERNANCE:

- **Policy 1.0 Policy Manual** – Reviewed – no changes
- **Policy 1.1 Meetings of Council** – Reviewed – the Annual Electors’ Meeting venues have been updated for the next three financial years. The description of when the agendas are to be uploaded will be changed from “uploaded to Docs on Tap” to “uploaded by electronic means”.
- **Policy 1.2 Committees of Council** – Reviewed – no changes
- **Policy 1.3 Public Question Time – Reviewed** – take out the Public Question Time – Rules and Procedures and include it in the Agenda Template.
- **Policy 1.4 Confidential Reports to Council** – to remove from the Policy Manual as listed in Index but no longer relevant. Previously left in the Index to keep the policy numbering sequential.
- **Policy 1.5 Elected Member Induction and Continued Professional Development – Reviewed** – under **ROLES AND RESPONSIBILITIES** to delete **Manager of Finance and Administration** so that all responsibility for the Elected Officers’ training and induction sit with the Chief Executive Officer. Also add to the dot point that includes information on training undertaken by each individual elected member in the Annual Report – the words “and Shire of Cranbrook’s website”. There is a requirement to advertise all Elected Officers’ training on the website.
- **Policy 1.6 Local Government Convention - Attendance** – Reviewed – no changes
- **Policy 1.7 Elected Members – Allowances & Reimbursements** – Reviewed – no changes but this may change in the budget process for the 2022/2023 Financial Year.
- **Policy 1.8 Risk Management** – Reviewed – no change.
- **Policy 1.9 iPad Usage – Elected Members and Employees** – Reviewed – to delete the sentences in the dot point under **2. Ownership Executive Management Team** - that states that “The ownership of the iPad is transferred to managers as a parting gift upon resignation or retirement subject to a minimum of four years’ service with the Shire. And “Council may from time to time agree to amend the timeframe in exceptional circumstances. Should a manager not wish to retain the iPad, it may be returned to the Shire in which case it will be restored to factory settings and any personal information will be removed.” With these deletions it will result in the Executive Management Team not receiving their iPad as a parting gift, and will be replaced with a sentence that states that “both the iPad and the SIM card for the service must be returned to the Shire of Cranbrook upon the staff member leaving employment with the local government”.
Under 6. Documents Relating to Shire Use – to amend “uploaded into the Docs on Tap App” with “uploaded by electronic means”.
- **Policy 1.10 Internet and Email Access** – Reviewed – no change. There are processes and procedures in relation to increased cyber security that could be included but as the Policy Manual is on the web, it is not normal practice to include these details for obvious reasons.
- **Policy 1.11 Social Media** – Reviewed – no change.
- **Policy 1.12 Gifts, Benefits Hospitality, Attendance at Events** – Reviewed – no change.
- **Policy 1.13 Council Briefing Sessions** - Reviewed – no change.
- **Policy 1.14 Complaints Handling** – Reviewed – no change.
- **Policy 1.15 Related Party Disclosures** – Reviewed – no change.
- **Policy 1.16 Employee Gratuity Payments** – Reviewed – no change. **Amendment: There will be no parting gifts at the end of their term/employment for Elected Members or employees.**

WORKFORCE:

- **Policy 2.0 Recruitment and Selection** – The Selection Panel box needs to be updated to allow the inclusion of an employee who understands the position’s duties and responsibilities for example, someone who previously held the position. In which case, there needs to be an addition to the dot point under **ROLES AND RESPONSIBILITIES Chief Executive Officer** Ensure that this policy is adhered to “wherever possible, and at the Chief Executive Officer’s discretion can replace a member of the Selection Panel with another person if they can bring an expertise or skill to the employment process that will assist in selecting the best person for the job”.
- **Policy 2.1 Employee – Appointments** – Reviewed – addition of a dot point under **PRINCIPLES** All successful applicants must have passed etc “unless they are currently working for a local government and there is no break in service”.
- **Policy 2.2 Employee – Induction** – Reviewed – no change.
- **Policy 2.3 Employee – Performance Management** – Reviewed – no change.
- **Policy 2.4 Managing Unacceptable Behaviour** – Reviewed – no change.
- **Policy 2.5 Grievance Policy** – Reviewed – no change.
- **Policy 2.6 Senior Employees** – Reviewed – no change.
- **Policy 2.7 Professional Development and Training** – Addition dot point under **PRINCIPLES** stating that: A set meal allowance will be provided where a staff **or elected** member is staying with family or providing their own accommodation and meals and not utilising commercial accommodation and meals paid by the Shire of Cranbrook or refunded through the presentation of receipts. The meal allowance is calculated as follows: **\$90 per day; breakfast \$20, lunch \$25, dinner \$45**. This may be claimed via a Meal Allowance Form signed off by the Chief Executive Officer or a member of the Executive Management Team responsible for the employee – a meal cannot be claimed if it is provided by the training provider or the Shire of Cranbrook.
- **Policy 2.12 Leave – Management of Annual and Long Service** – Reviewed – no change.
- **Policy 2.9 Leave – Community Service** – Reviewed – amended to include the Red Cross Blood Bank under **SCOPE**.
- **2.10 Christmas Shutdown Period** – Reviewed – no change.
- **2.11 Salary Sacrificing** – Reviewed – no change. However, the inclusion in the Policy Manual will allow the Shire to remove the section on Salary Sacrificing from the current draft Administration Staff Enterprise Bargaining Agreement.
- **2.12 Housing – Employees** - Reviewed – The paragraph under **Sale of Shire Housing** is too broad in that there is no clarity as to what “be given the opportunity to purchase at the assessed market valuation provided that they have kept the property in good condition throughout their tenancy, have made all rental payments and have held a tenancy for 12 months or more” means, especially as the process for the sale of Council Property is clearly delineated in the Local Government Act 1995. I would suggest that this section be deleted.
- **Policy 2.13 Workforce – Shire Vehicles** – Reviewed. This is in direct conflict with the CEO’s Contract of Employment where private use is within Western Australia, not the South West Land Division of WA which according to Wikipedia consists of the regions of South West, Great Southern, Peel, some of the Wheatbelt and the coastal areas of the Mid West. I would suggest that we make the same applicable for all the Executive Management Team i.e. replace the South West Land Division of WA with Western Australia. That is more attractive to senior employees.
- **Policy 2.14 Employee – Shire Small Equipment Hire** – Reviewed and no change.

- **Policy 2.15 Relocation Expenses – Employees** – Reviewed and apparently the amount set has not been increased since 2014. This needs to be increased from \$4,000 to \$6,000 to be more attractive to prospective senior employees.
- **Policy 2.16 Occupational Safety and Health** – Reviewed and to be amended to reflect the new legislation.
- **Policy 2.17 Occupational Safety and Health Structure and Review** – Reviewed and to be amended to reflect the new legislation.
- **Policy 2.18 Uniforms, Allowance, Personal Protective Equipment** – Reviewed and to be amended to reflect the new Work Health and Safety Act 2020. To delete under Uniforms – Administration Employees the last dot point that states “Uniforms will be purchased through a supplier approved by management and embroidered with the appropriate logo”. The policy already states that “employees are expected to wear business attire and appropriate footwear to work at all times”, it is not necessary for us to select the provider – there should be an element of trust that administration staff will abide by the selection of suitable business attire.
- **Policy 2.19 Drug and Alcohol** – Reviewed and no change.
- **Policy 2.20 Disciplinary** – Reviewed and no change.
- **Policy 2.21 Superannuation** – Reviewed and no change.
- **Policy 2.22 Secondary Employment/Business** – Reviewed and under **PURPOSE** “To ensure Shire of Cranbrook employees advise and/or make application to the Chief Executive Officer if they wish to engage in secondary employment and/or operate a private business enterprise in their own time.” Delete “advise and/or”. This is not optional. **This is only applicable if you have an individual ABN.**
- **Policy 2.23 Education and Study Assistance** – Reviewed and no change.
- **Policy 2.24 Appointment of Acting Chief Executive Officer** – Reviewed and no change.
- **Policy 2.25 Working from Home** – Reviewed and no change.

ADMINISTRATION:

- **Policy 3.0 Administration Visitors to the Administration Centre** – Reviewed and recommend that under **PROCEDURE ASSOCIATED WITH THIS POLICY** there is an additional dot point “that all visitors must comply with the current Western Australia’s public health and social measures that are in place to manage COVID in the community and workplace”.
- **Policy 3.1 CB1 Number Plates** – Reviewed and no change.

FINANCE:

- **Policy Adoption and Implementation of the Annual Budget** – Reviewed and to remove from Policy Manual as under legislation.
- **Policy 4.1 Budget** – Reviewed and no change.
- **Policy 4.2 Financial Strategy** Reviewed and no change.
- **Policy 4.3 Capitalisation and Depreciation of Non-Current Assets** Reviewed and under **PRINCIPLES Depreciation of Non-Current Assets** the paragraph commencing with “Assets are depreciated” be deleted and replaced with updated information that “Non-current assets are depreciated on a straight-line basis over the individual asset’s useful life from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use. Asset residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period, also having consideration for external factors that may affect residual value such as those seen during the Covid-19 pandemic, environmental disasters, or international armed conflicts.”
- **Policy 4.4 Investments** - Reviewed and no change.
- **Policy 4.5 Rates and Sundry Debtors Charges – Write Offs, Recovery Process** – Reviewed and under **ROLES AND RESPONSIBILITIES Chief Executive Officer & Manager of Finance**

- and Administration** – to delete Manager of Finance and Administration and increase the debt limit to “up to \$200”.
- **Policy 4.6 Interest Free Loans – Community Organisations** – Reviewed and under **PRINCIPLES** to delete the last dot point “Names of guarantors available for amounts greater than \$2,000”.
 - **Policy 4.7 Donations and Sponsorships** – Reviewed and update the amount that the Chief Executive Officer can donate without Council approval from \$300 to \$500.
 - **Policy 4.8 – Finance – Purchasing** – Separate Agenda item.
 - **Policy 4.9 Public Liability Claims** – Reviewed and remove as not relevant in the Policy Manual.
 - **Policy 4.10 Asset Management** – Reviewed and remove as not relevant in the Policy Manual.
 - **Policy 4.11 Rates – Pensioner Rebates – Curtilage/Dual Property Use** – Reviewed and remove as not relevant in the Policy Manual as under legislation.
 - **Policy 4.12 Fees and Charges** – Reviewed. And under **PRINCIPLES** add a new dot point that states that “Any cancellations or rescheduled bookings must be completed outside of 72 hours prior to the date of the booking to be entitled to a full refund. All refunds are at the discretion of the CEO.”
 - **Policy 4.13 Corporate Credit Card** – Reviewed and request that under **SCOPE**, the staff able to have a corporate credit card be changed from “Chief Executive Officer (CEO), Manager Corporate and Community (MCC), Community Emergency Services Manager (CESM) to “Chief Executive Officer (CEO), the Executive Management Team and the Community Emergency Services Manager (CESM). If approved, then the first dot point under **PRINCIPLES** will need to be amended also from “the Chief Executive Officer and the Manager Corporate and Community” to “the Chief Executive Officer and the Executive Management Team”.
 - **Policy 4.14 Asset Disposal** – Reviewed and noted that the current Asset Disposal policy does not mention that it is necessary for any disposal of assets to align with Section 3.58 of the Local Government Act 1995. Therefore, under **PURPOSE** there needs to be an additional sentence following on from “whether real or perceived” stating that “The disposal of Council assets needs to follow the procedures set out in Section 3.58 of the Local Government Act 1995, and under the Local Government (Functions and General) Regulations 1996. Also under **PRINCIPLES** the third dot point, to delete “Generally”, and under the fourth dot point delete “As a general principle”. Also recommend deletion of the seventh dot point, “Elected Members and Employees must adhere to their obligations under the Council’s Code of Conduct to give full effect to the lawful policies, decisions and practices of the Shire”. This comment is not in keeping with the culture of the Council or staff, for the same reason, delete under **PROCEDURE ASSOCIATED WITH THIS POLICY** the words Code of Conduct.
 - **Policy 4.15 Financial Hardship** – Reviewed and no change.
 - **Policy 4.16 Community Grant Program Funding** – Reviewed and no change except that under **ROLES AND RESPONSIBILITIES** replace Community Development Officer with Community Development Manager.
 - **Policy 4.17 Refunding of Fees and Charges** – Reviewed and in line with the addition in Policy 4.12 Fees and Charges under **PRINCIPLES** add in “Any cancellations or rescheduled bookings must be completed outside of 72 hours prior to the date of the booking to be entitled to a full refund. All refunds are at the discretion of the CEO.”
 - **Policy 4.18 Bush Fire Brigade Fuel Cards** – Reviewed and no change.

WORKS:

- **Policy 5.0 Road Management** – Reviewed and recommend change to **CATEGORY CRITERIA** from:

	CARRIAGEWAY* WIDTH(m)	CLEARING**WIDTH(m)
1. Major Feeder (arterial)	9 to 10	18 to 18
2. Lesser Feeder Roads	8 to 10	14 to 14
3. Multiple Property Access Roads	6 to 8	12 to 14
4. Single/Minor Access Roads	5 to 6	7 to 8

This is the distance between white posts. Carriageway width equals top clear pavement running surface. Clearing to be increased as appropriate on the inside of curves, at driveways and intersections and to maintain visibility to signs and obstructions such as narrow bridges. These nominal clearing widths are in accord with required legislation and guidelines.

- **Policy 5.1 Road Material Acquisition** – Gravel and Sand – Reviewed and no change.
- **Policy 5.2 Thoroughfares – Temporary Closure** – Reviewed and no change.
- **Policy 5.3 Pathways** – Reviewed and no change.

EMERGENCY SERVICES:

- **Policy 6.0 Bushfire Control** – Reviewed and the following amendments are recommended: Under the statement under **3. Restricted Burning Period** that no bluegum or pine trash burning permits will be issued until the grape harvest is completed, **according to the Frankland River Wine Makers and Grape Growers Association Incorporated, or permission is granted by the CEO.** An additional line could be added “that cereal farmers be mindful when stubble burning of wind direction due to smoke and its negative effect on the grape harvest.”

The addition of a new item under **PRINCIPLES** being **No 24. Training** – that the Shire of Cranbrook has selected as its basic training benchmark for its volunteers the following:

- Bush Fire Safety Awareness
- Bush Fire Fighting Skills
- **Policy 6.1 Bushfire Control – Unsupervised Stationary Engines** – To be deleted as now included in **Policy 6.0 Bushfire Control.**

COMMUNITY:

- **Policy 7.0 Community Engagement** – Reviewed and the Strategic Community Plan 2017-2027 needs to be updated with the new Strategic Community Plan 2021 – 2031, and both Code of Conducts need to be listed.
- **Policy 7.1 Youth Advisory Council** – To be removed.
- **Policy 7.2 Disability Access and Inclusion** – Reviewed and no change.
- **Policy 7.3 Community Facilities – Usage** – Reviewed and no change.

ECONOMIC:

- **Policy 8.0 Contribution to Site Works (\$2,000)** – Reviewed and recommend removal from Policy Manual. Under current economic conditions, any funds would be best spent assisting the community in meeting current external economic pressures.
- **Policy 8.1 Shire History Books – Accommodation Providers** – Reviewed and no change.

DEVELOPMENT:

- **Policy 9.0 Development Services** – Nothing to review (blank page), recommend removal until better defined.

ENVIRONMENT:

- **Policy 10.0 Environmental Management** – Reviewed and no change.

Statutory Environment

Section 2.7(2b) of the Local Government Act 1995, states that:

The Council is to determine the Local Government's policies.

Policy Applicable – Implications

This report proposes adoption of the revised Council Policy Manual that includes amendments to current policies and inclusion of new policies as defined above.

Financial Implications

There are various financial implications from this report, all of which are considered as part of the annual budget process.

Risk Implications

The risks associated with matters in this report are varied and include:

- Misconduct
- Business and Community Disruption
- External Theft and Fraud
- Errors, Omissions and Delays
- Failure of IT and or Communication Systems and Infrastructure
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes
- Inadequate Engagement Practices
- Inadequate Asset Sustainability Practices
- Inadequate Safety and Security Practices
- Ineffective Employment Practices
- Inadequate Project/Change Management
- Inadequate Supplier/Contract Management
- Ineffective Management of Facilities/Venues/Events

The **impact** of the risk is People, Financial, Service Interruption, Non-Compliance, Reputational, Property and Natural Environment

The **consequences** of these risks are considered to be Moderate

The **likelihood** is Likely

Hence the **risk rating** for this item is High

Risk mitigation includes:

- Councillors having a clear understanding of the content of the policies in the attached policy manual; and
- The successful execution of the policies, delegations and authorisations by the Executive Management Team and staff.

Strategic Community Plan Reference

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

Outcome 16 – High Performing Shire: An accountable and respected Shire, investing in its people and structures.

Deliverable 16.1: A Shire and supporting entities are well-governed with delineated roles and accountabilities.

Consultation

Consultation for this report included the Executive Management Team and the Community Development Manager.

Voting Requirements

Absolute Majority

OFFICERS'S RECOMMENDATION/COMMITTEE RESOLUTION

That the Audit and Risk Committee recommend to Council that the revised Shire of Cranbrook Policy Manual for 2022, as noted above, be approved.

AMENDED RESOLUTION

Moved Cr Pollard, seconded Cr Johnson that the Audit and Risk Committee recommend to Council that the revised Shire of Cranbrook Policy Manual for 2022, as noted above, be approved with the additional amendments made.

Carried 7/0

Reason for Change:

The Committee has approved additional amendments to the following policies; 1.16, 2.7, 2.22 and 6.0.

Cr Horrocks acknowledged the hard work done on the policy manual review undertaken by CEO, Linda Gray and the administration staff.

5.4 SHIRE OF CRANBROOK CYBER SECURITY UPGRADE

RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Linda Gray – Chief Executive Officer
FILE REFERENCE:	AD201
APPLICANT:	N/A
DATE OF REPORT:	12 April 2022
ATTACHMENTS:	CEO report on increased cyber crime

Purpose

The purpose of this report is for the Council to note and approve the upgrade to our cyber security for the Shire of Cranbrook.

Background

The war in Ukraine is a war on two fronts; on the battle ground and through cyber crime. Last year the malware that went into Ukraine spread around the world and eventually ended up in Australia. There were 14,000 cyber security incidents reported to the Australian Cyber Security Centre last year, and of that number local government was in the top five for ransomware. Losses are estimated to be \$85 million in Australia with an increase in the last year of 54%. Similarly the number of cyber-attacks rose sharply during the pandemic.

Whilst the local government’s IT provider would normally do system backups and monitoring, it is the new responsibility of the local government to capture the controls and measures in documents now required by the Office of the Auditor General (OAG). In their November 2021 Report fifteen Local Government entities were sampled and assessed as to their management of cyber security risks and response to cyber threats. The conclusion was that they all needed to improve their management of cyber risks, and most did not have current and complete cyber security policies and processes to help them. Technical controls and education of staff were also poor, and nor did they have appropriate mechanisms in place to detect cyber security incidents.

Officer’s Comment

As a result of the OAG’s report and going forward, improvements need to be made, and the following recommendations were made by the OAG and need to be adopted by the Shire of Cranbrook:

1. Cyber security policies
2. Processes to identify, understand and address relevant cyber security risk (*and includes an understanding of the level of risk appetite by the shire*)
3. Controls
4. Education (*If staff are not aware of current risks such as malware and ransomware then the importance of not clicking on links is lost*)
5. Technical controls to detect and prevent phishing emails
6. Processes to identify and address vulnerabilities affecting their internal and external IT infrastructure
7. Cyber security incident response plan
8. Updated business continuity plan
9. Updated Disaster recovery plan
10. Technical controls to detect, alert and prevent cyber intrusions

We need to provide awareness raising programs to continually educate staff and elected officers on cyber security risks. These documents or a combination would focus on prevention of intrusions and should be communicated to Council. A quick response to any incident through staff's familiarisation of the Shire's incident response plan is important as often criminals take time to go through the stages of an attack. They use different groups for each stage and sell the next stage in a marketplace on the Dark Web.

A meeting held with our IT Provider, Ramped Technology on 6 April 2022, allowed us to gain a better understanding of our current risk mitigation measures and the improvements required to meet both the new OAG requirements, and to prevent the Shire being put at risk to a cyber attack.

Statutory Environment

Security and Related Activities (Control) Act 1996

Western Australian Whole-of-Government Cyber Security Incident Coordination Framework

National Cyber Incident Management Arrangements

Policy Applicable – Implications

There is no Council policy applicable to this report.

Financial Implications

The total cost of the matters in this report are anticipated to be \$10,000 and will be funded from the 2022/2023 Budget.

Risk Implications

The risks associated with matters in this report are:

- Business and Community Disruption
- External Theft and Fraud
- Errors, Omissions and Delays
- Failure of IT and or Communication Systems and Infrastructure
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Safety and Security Practices

The **impacts** of the risk are: People, Financial, Service Interruption, Non-Compliance, Reputational

The **consequences** of these risks are considered to be: Major

The **likelihood** is: Likely

Hence the **risk rating** for this report is: High

Risk mitigation includes implementation of the OAG's cyber security recommendations.

Strategic Community Plan Reference

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

Key Pillar: Live

Outcome 1 - Community: A safe and friendly community that is well-known for support, which can be defined with a measurement of 'proud'.

Deliverable 1.1: A community and enterprise safety and security system.

Outcome 16 – High Performing Shire: An accountable and respected Shire, investing in its people and structures.

Deliverable 16.1: A Shire and supporting entities are well-governed with delineated roles and accountabilities.

Consultation

Office of the Auditor General
Local Government Professionals Australia
Australian Cyber Security Centre
Cyber Intelligence and Public Policy, CyberCX
Ramped Technology – IT Providers

Voting Requirements

Absolute Majority

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

Moved Cr Quick, seconded Cr Beech that the Audit and Risk Committee:

- 1. Recommend that Council approve the inclusion of \$10,000.00 in the 2022/2023 Shire of Cranbrook's budget towards cyber security risk mitigation; and/or**
- 2. Note the Chief Executive Officer's report on the increase in cyber crime, and the results of the November 2021 Report on Cyber Security in Local Government by the Office of the Auditor General.**

AMENDED RESOLUTION

Moved Cr Quick, seconded Cr Beech that the Audit and Risk Committee:

- 1. Recommend that Council approve the inclusion of \$10,000.00 in the 2021/2022 Shire of Cranbrook's budget towards cyber security risk mitigation; and/or**
- 2. Note the Chief Executive Officer's report on the increase in cyber crime, and the results of the November 2021 Report on Cyber Security in Local Government by the Office of the Auditor General.**

Carried 7/0

Reason for Change:

The Committee felt that as the risk of cyber crime was high and the Shire's improvements to risk mitigation in this area should be a priority for this financial year.

6. CLOSURE OF MEETING

There being no further business to discuss the Deputy Chairperson, Cr Horrocks declared the meeting closed at 2:46pm.