

# TOWN OF PORT HEDLAND

IMPROVEMENT PLAN RESULTING FROM THE

REPORT ON THE REVIEW OF

RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS

APRIL 2015



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# INTRODUCTION

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The Town of Port Hedland engaged UHY Haines Norton (WA) Pty Ltd to complete a review of its risk management, legislative compliance and internal controls in relation to the Local Government (Audit) Regulation 1996

As a result of this review, the following improvement plan has been developed and is to be read in conjunction with the report. The plan identifies the Department responsible for actioning each item and provides a guide as to the priority when implementing these improvements.

Prioritisation of improvements should be undertaken on a risk basis once a risk management strategy or framework has been developed.



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# RISK MANAGEMENT IMPROVEMENT PLAN

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
RM 1.1	Council Policy - Risk Management Policy	To evidence the Council's commitment to incorporating risk management practices into decision making and its importance to the Organisation.	That a risk management policy be developed for adoption by the Council.	Council and Executive	High
RM 1.2	Risk Management Strategy or Framework	A documented strategy and framework to support a risk management policy.	That a risk management strategy and framework (including an organisational risk matrix) be developed to guide and support the implementation of risk management.	Executive	High
RM 2.2	Insurance Strategy or Policy	A policy to provide guidance to Officers as to the management of risk through insurance.	That an Insurance Strategy and Policy be developed to provide clarity on issues such as the level of self-insurance, the adequacy of cover and the basis of the valuation of the insured assets.	Council and Executive	Medium
RM 2.3	Risk Management Working Group	A working group to progress the implementation of risk management across the organisation and to monitor risk management practices.	That a working group be established and maintained to progress and oversee the implementation of any risk management strategy and framework.	Executive	Medium
RM 2.4	Staff Induction	To ensure new staff are aware of their obligations to be aware of risk management, the OSH risks and their obligation to report breaches of controls and other risk related incidences.	That long term employees be the subject of a re-induction process to ensure they are aware of changes to risk management and OSH risks procedures since their initial induction.  That records of inductions are maintained within staff personnel files.	Corporate Services	High
RM 2.5	OSH Committee	A working committee is established to implement OSH strategy and procedures.	That a risk based assessment of OSH issues be undertaken by the working committee and included within the minutes to enable prioritisation of risk treatments.	Corporate Services	High
RM 2.6	Town of Port Hedland Business Continuity Management Arrangements	To plan for the prevention, response and recovery from events that may threaten the capacity of the Town to continue to provide services and good governance.	That the Business Continuity Management Arrangements be subject to documented testing and reviewed following testing.	Executive	Medium
RM 2.7	Local Emergency Management Plan 2011 Draft	A plan is prepared in accordance with the requirements of Emergency Management Act 2005 [s.41(4)] and State Emergency Management Policy 2.5	That the plan be reviewed and updated. Documented testing should be undertaken in accordance with Part 7 of the plan.	Executive	Medium

# RISK MANAGEMENT IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
RM 2.9	Records Disaster Management Plan	A plan is prepared to minimise the risk of loss of records in the event of a disaster.	<p>That a Plan be developed to:</p> <ul style="list-style-type: none"> <li>○ Consider risks in accordance with Risk Management Policy and the associated Strategy and Framework.</li> <li>○ Provide for the timely electronic storing of all records.</li> <li>○ Require electronic records to be routinely backed up and stored at sufficiently remote geographic location to reduce the risk of the impact of a common disaster event.</li> </ul> <p>Require routine testing to ensure currency and completeness of restored backups.</p>	Corporate Services	High
RM 2.10	IT Disaster Recovery Plan	A plan to minimise the risk of loss of IT systems, processes and information in the event of a disaster.	That steps to address already identified critical IT issues continue and an IT Disaster Recovery Plan be developed.	Corporate Services	High
RM 2.11	Long Term Financial Plan 2014/15 – 2023/24	A plan to reflect the Town’s forecast financial capabilities over the Long Term.	That a Long Term Financial Plan be developed which considers financial risks and conforms with statutory limits set out by Section 6.34 of the <i>Local Government Act 1995</i> be developed.	Corporate Services	High
RM 2.12	Asset Management Policy 9/010	A policy is to ensure the Town has sufficient structure, systems, processes, resources and commitment to deliver asset service outcomes.	Review the asset management plans to ensure a risk based approach to asset management in accordance with the Asset Management Policy.	Corporate Services	Medium
RM 2.13	Safe Work Procedure 09 – Incident and Hazard Reporting	To ensure reporting of incidents and hazards occurs in a timely manner with corrective action being taken.	<p>That the procedure be amended to:</p> <ul style="list-style-type: none"> <li>○ Require relevant evidence (preferably photographic) to be obtained on a timely basis;</li> <li>○ Provide clarity as to whom contractors, temporary personnel, service personnel and volunteers should report incidents;</li> <li>○ Implement controls to ensure procedure is followed at all times; and</li> </ul> <p>Require the recording of incidents/accidents in the incident/accident register.</p>	Corporate Services	High
RM 2.14	Emergency/ Evacuation Plan – Town Buildings	To ensure uniformity in the handling of building related emergency situations and evacuations.	<p>That emergency/evacuation plans for all Town buildings be developed and implemented.</p> <p>That existing emergency/evacuation plans be reviewed to ensure they remain current.</p>	Works and Services	High

# RISK MANAGEMENT IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
RM 2.16	Events risk assessment	To require risk assessment to be undertaken as part of the hosting of community events on Town property.	That a standardised risk management plan for completion by event hosts and review by senior officers be developed.	Community and Development Services	Medium
RM 2.17	Asset Management Risk Assessment	Inclusion of a risk assessment undertaken as part of development and maintenance of the Town of Port Hedland Asset Management Plans.	That the Asset Management Risk assessments be undertaken in accordance with the risk management strategy/framework (to be developed). Treatment plans should be monitored to ensure risks are reduced to a medium level.	Corporate Services	Low
RM 2.18	Workforce Risk Assessment	Inclusion of a risk assessment undertaken as part of the development and maintenance of the Town of Port Hedland's Workforce Plan 2012-2016.	That future revisions of the Workforce Plan include an assessment of key risks.	Corporate Services	Low
RM 2.19	Project Specific Risk Assessments	To undertake a risk assessment as part of a major project brief.	That procedures be developed to ensure risk assessments are undertaken in accordance with a risk strategy and framework (to be developed) prior to major project approval.	Executive	Medium
RM 2.20	Entity Risk Register	A risk management tool to record the risk management processes for the organisation.	That an entity risk register be outlined in the risk management Strategy and Framework (to be developed) and the register be routinely maintained and monitored.	Executive	Medium
RM 2.22	Occupational Safety and Health (OSH) Register	The maintenance of a hazard based register of OSH matters.	That an OSH register capable of providing regular reports and identifying OSH trends be maintained and regularly reviewed by the OSH Committee.	Corporate Services	Medium
RM 3.1	Audit (Risk and Finance) Committee	An Audit (Risk and Finance) Committee is required by the Local Government (Audit) Regulations 1996, and its composition and role is prescribed.	That the Committee receive bi-annually reports containing information on extreme and high risk ratings in accordance with a Risk Management Strategy and Framework.	Council and Executive	High
RM 3.2	Executive Leadership Team (ELT)	The establishment of an effective ELT charged with implementation of Council policies.	That risks are regularly documented and monitored by the ELT with key operational risks included within the minutes.	Executive	Medium
RM 3.3	Council Agendas and Minutes	Key risks impacting on decisions are disclosed to the Council at the time staff recommendations are made.	That a separate heading relating to risk be included within Council agenda items to draw attention to the risks associated with the decision.	Executive	Low

# RISK MANAGEMENT IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
RM 3.4	OSH Committee	A working committee established to implement OSH strategy and procedures.	That the OSH Committee minute the review of the Hazards/Accidents/Incidents register to determine if identified risks have been adequately treated in accordance with a risk management strategy and framework (to be developed).	OSH Committee	Medium
RM 3.5	Monitoring Compliance	To ensure policies relating to risk management are adhered to by the organisation and their effectiveness is monitored.	That the risk management strategy and framework (to be developed) contain practices requiring the routine monitoring and reporting of risks.	Executive	High
RM 4.1	Ongoing Improvement Program	A program developed to implement improvements in risk management practices and to guide the implementation process.	That an improvement plan developed from this report be prepared in support of risk management practices and to guide the process of implementation (to be developed).	Executive	High

# LEGISLATIVE COMPLIANCE IMPROVEMENT PLAN

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
LC 1.1	Management Framework - Legislative Compliance In Action	An established Legislative Compliance Framework with a Risk Register, systems and controls and detailed practices to support Legislative Compliance.	That a Legislative Compliance strategy and framework be developed to support legislative compliance.	Executive	High
LC 2.1	Staff training strategy	To ensure staff have the appropriate induction and training to understand the legislative requirements relevant to their role.	That a risk based training matrix be developed identifying and addressing training needs as part of a broader workforce plan. We note management has recently developed a draft training plan and intends to further develop this plan.	Corporate Services	Low
LC 2.2	Experienced Staff	To ensure staff engaged at a senior level and in technical roles have an understanding of the legislative requirements relevant to their role.	That actions continue to address staff recruitment issues with the goal of improving the effectiveness of recruiting appropriately qualified and experienced staff.	Corporate Services	Medium
LC 2.4	Code of Conduct for Elected Members and Staff	The elected members and staff have consistent guidelines for an acceptable standard of professional conduct in relation to legislative compliance.	To provide clarity on the applicable Code of Conduct the two Codes of Conduct should be consolidated into a single version. Old version should be removed and both Elected Members and Staff inducted in a new consolidated Code of Conduct. The new Code of Conduct should require the reporting of any noted potential breaches of legislation by Elected Members or Staff.	Council and Executive	High
LC 2.5	Code of Conduct for Contractors and Volunteers.	To provide contractors and volunteers with consistent guidelines for an acceptable standard of conduct in relation to legislative compliance.	That an abridged Code of Conduct be developed which applies to contractors and volunteers and requires the reporting of any noted potential breaches of Legislation.	Corporate Services	Medium
LC 2.7	Council Policy - Records Management	To provide the principles for the management of Records by elected members and staff.	That a Records Management Policy be developed to provide clear policy guidelines for the management of the Town's records.	Council and Executive	High
LC 2.9	Management Procedure - Compliance Audit Return	Management procedures designed to guide staff on the completion of the annual compliance audit return.	That procedures be developed for officers involved in completion of the return to follow and sign off on the accuracy of their responses.	Corporate Services	Low
LC 2.10	Executive Leadership Team (ELT)	An ELT charged with implementation of Council policies.	That the legislative compliance register be routinely reviewed by the ELT.	Executive	Low

# LEGISLATIVE COMPLIANCE IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
LC 2.11	Communication	To ensure staff, contractors and regular volunteers are aware of their obligation to report breaches of legislation to the appropriate Officer.	That an 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.	Corporate Services	High
LC 3.1	Audit and Risk Committee	An Audit (Risk and Finance) Committee is required by the Local Government (Audit) Regulations 1996, and its composition and role is prescribed.	That a management framework (to be developed) requires the reporting of breaches of other legislation to the Committee.	Corporate Services	High
LC 3.2	Legislative Compliance Register	A Legislative Compliance risk management tool used to record legislative compliance breaches for the Town.	That a concise legislative compliance register be developed to enable the monitoring and recording of legislative breaches and associated controls.	Corporate Services	High
LC 3.4	Executive Leadership Team (ELT)	The ELT establishes senior management leadership in relation to legislative compliance practices, monitoring the progress of implementation and the effectiveness of the associated controls and systems.	That legislative compliance issues be raised and documented.	Executive	High
LC 3.5	Complaints Handling	To ensure a process exists to track complaints from the public and staff regarding legislative compliance.	That the procedure for handling customer complaints be reviewed and updated to ensure all complaints are tracked, investigated and appropriately addressed.	Corporate Services and Works and Services	Low
LC 4.1	Ongoing Improvement Program	A plan developed to guide improvements in legislative compliance practices and to support the legislative compliance framework.	That an improvement plan developed from this report be prepared in support of the legislative compliance framework (to be developed).	Corporate Services	High



# INTERNAL CONTROLS IMPROVEMENT PLAN

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
IC 1.1	Management Framework - Legislative Compliance In Action	An established Legislative Compliance Framework with a Risk Register, systems and controls and detailed practices to support Legislative Compliance.	That a Legislative Compliance strategy and framework be developed to support legislative compliance.	Corporate Services	High
IC 1.2	Code of Conduct for Elected Members and Staff	To provide Elected Members and staff with consistent guidelines for an acceptable standard of professional conduct in relation to internal controls.	Refer to LC 2.4	Refer to LC 2.4	Refer to LC 2.4
IC 1.3	Code of Conduct for Contractors and Volunteers.	To provide contractors and volunteers with consistent guidelines for an acceptable standard of conduct in relation to internal controls.	Refer to LC 2.5	Refer to LC 2.5	Refer to LC 2.5
IC 1.4	Communication of modifications	To ensure staff are notified of changes to internal controls and have access to current documented procedures.	That a documented procedure be developed to advise staff of changes in policies and procedures and ensure the retraction of updated or revised policies or procedures. All current policies and procedures should be in one central location accessible to all relevant staff.	Corporate Services	High
IC 1.5	Staff Training	To ensure staff have access to ongoing training in internal controls and attend appropriate training sessions.	Refer to LC 2.1	Refer to LC 2.1	Refer to LC 2.1
IC 1.6	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 2.2	Refer to LC 2.2	Refer to LC 2.2
IC 1.8	Occupational Safety and Health Policy 1/016  Amended January 2006	This policy acknowledges that the safety and health of employees within the Town is the responsibility of Council and all employees.	That the policy be reviewed and amended to: <ul style="list-style-type: none"> <li>○ Provide a risk based approach to Occupational Health and Safety.</li> <li>○ Require the recording of any accident/incidents in a register and the annual reporting of accident/incidents numbers to the Audit Committee.</li> <li>○ Provide additional clarity. Require the routine testing and practice of emergency evacuation procedures at all facilities.</li> </ul>	Council and Executive	High

# INTERNAL CONTROLS IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
IC 1.9	Community Services Policy 8/001  Adopted November 2004	The policy and associated procedures are designed to provide guidance on circumstances under which Council will develop and operate community services.	That the Community Services Policy be reviewed to acknowledge the guidance of the Strategic Community Plan.	Council and Executive	Medium
IC 1.10	Complaints against Third Parties Policy 1/002  Amended January 2006	The policy seeks to guide officers when dealing with complaints against third parties.	That a comprehensive complaints policy be developed to ensure all complaints are tracked, investigated and appropriately addressed. Where no action is taken in relation to a complaint the complainant should be notified accordingly.	Council and Executive	Medium
IC 1.12	Vandalism – Reward for Conviction Policy 1/008  Amended January 2006	Framework for payment of a reward to any person for information which may facilitate proceedings open to Council for prosecution of offenders or the recovery of expenses incurred from vandalism.	That the policy be reviewed to ensure it remains current.	Council and Executive	Low
IC 1.13	Legal Representation Policy 1/009  Amended January 2006	To protect interests of elected members and employees in the event of civil legal proceedings as a consequence of their official functions.	That the policy be reviewed to ensure its remains current.	Council and Executive	Medium
IC 1.14	Rating Policy 2/004  Amended April 2006	To provide direction on collection procedures, concessions and exemptions in rating.	That the policy be amended to require annual assessment of the charitable use of properties wishing to maintain an exemption from rates in accordance with Council Policy 2/013 _ Rates Exemption Policy (Non Rateable Land), and to provide clarity on the policy for the collection of rates debtors.	Council and Executive	Medium
IC 1.15	Debt Management Policy 2/005  Amended November 2014	Provide a framework for the efficient and effective collection of outstanding debts; and fulfil statutory requirements in relation to the recovery of rates, charges, fees and other debts.	That Council Policy 2/004 – Rating be amended to ensure clarity on the policy for the collection of rates debtors. That procedures be implemented to ensure the implementation of the Policy and reduce the level of receivables.	Council and Executive	Medium

# INTERNAL CONTROLS IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
IC 1.16	Procurement Policy 2/007  Amended January 2014	Ensure that Town of Port Hedland's procurement of goods and services is compliant, ethical, and procurement is Town's advantage.	That the policy be amended to provide clarity on the policy for the application of Regional Price Preferences and for the establishment, adjudication and approval of PSA's and SOA's. An appropriate definition of a sole supplier situation should be provided to help ensure this exemption is only applied in rare and exceptional circumstances. Appropriate procedures should be implemented to ensure compliance with the Policy at all times.	Council and Executive	High
IC 1.17	Council Investments Policy 2/010  Amended June 2009	Provide a framework for the investment of Council funds that are excess to current requirements	That the policy be amended to only allow for investment in authorised institutions as defined by the regulation.	Council and Executive	High
IC 1.18	Tender Policy 2/011  Amended August 2013	To ensure statutory compliance with all relevant legislation and Town of Port Hedland related policies and encompasses best practice when procuring goods and services through a Tender process.	That advice be obtained to ensure 'Awarded Tenders – Period Contracts' are compliant with the Act. That the policy be reviewed to provide a high level of governance when evaluating tenders and, in particular, for persons to be independent of tenderers.	Council and Executive	High
IC 1.20	Rates Exemption (Non Rateable Land) Policy 2/013  Amended February 2012	Provide an administrative framework for assessing applications for properties to be classified as non-rateable land on the ground of being used for charitable purposes.	That the policy be considered for incorporation into Council Policy 2/004 when it is reviewed.	Council and Executive	Low
IC 1.21	Rates Concession (Rateable Land) Policy 2/014  Amended February 2012	Framework for assessing applications requesting the waiving or granting concession from rates to 'not for profit' community based organisations occupying rateable land.	That the Policy be rescinded.	Council and Executive	Low
IC 1.22	Notice of Discontinuance (Rates and Debtors) Policy 2/015  Adopted May 2013	Outline how the Town of Port Hedland processes a request for a Notice of Discontinuance.	That the policy may be incorporated within Council Policy 2/004 when it is reviewed.	Council and Executive	Low

# INTERNAL CONTROLS IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
IC 1.23	Regional Price Preference Policy 2/016  Adopted August 2013	To maximise the use of competitive local business in the procurement of goods and services, supporting local business and industry and to encourage employment of local people thereby generating economic growth within the Town.	That Council Policy 2/007 Procurement Policy be reviewed to provide clarity.	Council and Executive	High
IC 1.24	Subsidies and Allowances Policy 3/003  Amended December 2014	Provide framework for applicable staff subsidies and allowances.	That the policy be rescinded.	Council and Executive	Low
IC 1.26	Funding & Donations Policy 6/003  Amended September 2014	Provide structure to the provision of assistance to the community in relation to the delivery of events, celebration and community activities.	It is more appropriate for amounts to be allocated within the annual budget rather than mandated in a policy.	Council and Executive	Low
IC 1.27	Recreation Reserve and Facilities – Seasonal Hire Policy 6/010  Amended April 2014	Provide the Town of Port Hedland with guidelines for usage of the Town’s recreation reserves and facilities by sporting groups and ensure appropriate management of the Town’s recreation reserves and facilities by local sporting groups.	That the policy be amended to define the bond matrix, along with the circumstances under which a bond may be utilised to recover costs.	Council and Executive	Medium
IC 1.28	Acquisition and Management of Artworks Policy 7/002  Adopted November 2004	To provide a framework for the development and expansion of the Town of Port Hedland Art Collection. To implement procedures for the acquisition of artworks. To provide a framework for the management of the Art collection.	That the policy be reviewed to ensure it remains current.	Council and Executive	Low

# INTERNAL CONTROLS IMPROVEMENT PLAN (CONTINUED)

No.	FRAMEWORK COMPONENTS	PURPOSE/GOAL	RECOMMENDED IMPROVEMENTS	RESPONSIBILITY	PRIORITY
IC 1.29	Internal Control Procedures	Documented operating and control procedures to help minimise the risk of fraud or error and ensure compliance with Council Policies.	That a procedure for the development, review and updating of documented procedures be developed. That the latest version of all documented procedures be centrally located in an electronic format for access by authorised staff. That documented procedures be developed and reviewed based on a risk based prioritisation.	Corporate Services	High
IC 2.1	Audit Committee	An Audit (Risk and Finance) Committee is required by the Local Government (Audit) Regulations 1996, and its composition and role is prescribed.	That the Audit (Risk and Finance) Committee meet at least once a year (more regularly if possible) to review any internal control weaknesses identified or reported by the ELT and the Auditors.	Council and Executive	High
IC 2.4	Monitoring	To ensure policies and other controls relating to internal controls are adhered to within the organisation and their effectiveness is monitored.	That a process for documented routine monitoring of financial and non-financial internal controls be established based on the risk the controls intend to address.	Corporate Services	Medium
IC 2.5	Internal Controls Executive Leadership Team	A management group to maintain internal controls across the Town and monitor adherence to internal controls practices.	That ELT continue to monitor internal control issues and record consideration of any breaches of controls in their minutes.	Executive	High
IC 3.1	Ongoing Improvement Plan	A program developed to plan and implement improvements in internal controls practices and to guide the process of implementation.	That an improvement plan developed from this report be prepared in support of the internal controls framework (to be developed).	Executive	High