ARIC Monitoring of 2025 Financial Management Review & Regulation 17 Review

Date: 7/09/2026

Recommendation	Management comment	Actions		Officer	Status	Comments	Date completed
Financial Management Review							
1. Contract Management: Policies and Procedures: Establish formal contract management policy and procedures over the contract management process	The Shire will formalise a contract management process to ensure adequate levels of oversight and management over contracts are performed	1.1	Formalise contract management process	David Bentley	Not started	This work will be done in conjunction with the formulation of the contract register and arrangements for high-value suppliers.	
2. Contract Management: Service Contracts and Contracts Register: Review existing service contracts for which a service contract should be in place and ensure that formal service contracts are developed, and the full details of the service contracts be included in a formal contract register. (WA Contract Ranger Services, Katanning Cleaning, Exurban Rural & Regional Planning, Great Southern Waste Disposal, Initial Hygiene were noted.) Develop a centralised contract register capturing key contract data to be used when managing its existing service contracts	As part of the development of a contract management process, a contract register will be formulated. It is also noted a contract register will also need to be developed as part of imminent changes to the Local Government Act 1995.	2.1	Formulate a contract register	David Bentley	In progress	Work has commenced on the development of an Agreements and Contracts Register.	
	In relation to the individual contracts listed, the Shire of Kent will work towards more formalised arrangements with high-value suppliers going forward.	2.2	Formalise arrangements with high-value suppliers	David Bentley	Not started	Following the development of the contract register, high value suppliers without a contract can be identified and agreements can be formalised.	
3. Council Rates: Exempt Properties Consider implementing a formal verification process in which all exempt property owners are required to confirm their exemption status at least every 2 years.	The Shire will implement a process whereby a formal verification process will occur of its exempt rateable properties.	3.1	Develop a formal verfication process for exempt rateable properties	Bree Woodruff	In progress		
4. Asset Management: Stocktakes We recommend that the Shire consider updating its Policy Manual to include the need to undertake at least annual stocktakes or stocktakes undertaken on a rolling basis say over a three-year period of all its portable plant and equipment assets.	The Shire will undertake a stocktake on all major portable plant and equipment during its insurance renewal process going forward to ensure asset lists as well as insurance registers match and are up to date.	4.1	Undertake yearly plant & equipment register stocktake during insurance renewal preparation (Feb-March)	Jenni Dolan	Complete		Mar-26
	It is up to the Council to decide whether to amend the Shire's Significant Accounting Policy and a report will be prepared in due course.	4.2	Consider amending the Shire's Significant Accounting Policy to reflect the requirement to undertake regular stocktakes	David Bentley	Not started	To be considered by Council at a briefing for any appetite to consider an amendment before presentation to Council.	
5. System Access: Staff Access Levels We recommended that Shire management regularly review the level of access that has been provided to staff to ensure that such access, especially edit access, is only provided to those that require such level of access to fulfill their main roles and responsibilities. All other access to staff not requiring such access should either be removed, changed from edit to view only access or maintained where Shire management consider the level of access should remain.	The Shire will review all access levels to ensure they are appropriate for the duties each officer undertakes within the Synergy system.	5.1	Implement a regular review of Synergy access levels appropriate to duties	Patrick Davies	Complete		Apr-26
6. Detection Control: Payment Run Change Reports We recommended that Shire should implement the process by which "Change To Payroll" report, "Change To Creditors" report and "Change To Debtors" report are produced, from Synergy, prior to finalising each payment run for payroll and accounts payable and especially for the accounts receivable process and ensure the changes reported are checked, confirmed as valid and signed off by a Senior Officer prior to finalising the batch runs.	The Shire has commenced checking the "Change to Payroll" report prior to the completion of payroll runs as recommended by the Shire's financial auditor and will investigate the implications of doing so for accounts payable and accounts receivable prior to committing to doing so.	6.1	Print and review the Payroll Audit Report each pay fortnight, after Payroll reports are finalised and before Commbiz files are uploaded for payment. This is to be authorised by DCEO or representative.	Bree Woodruff	Complete		Aug-25
		6.2	Consider running Audit Reports for Debtors and Creditors.	Jenni Dolan	In progress	Creditor Audit Trail Report is in progress	
Reg. 17 Review – Audit & Risk							
7. Risk Management: Framework and Policy We recommend that as a matter of priority the CEO should develop a Risk Management Framework and Policy and implement a process by which both operational and strategic risks are able to be identified in line with the developed risk framework.	The Shire will develop a risk management framework and policy.	7.1	Develop and implement a risk management framework and policy	David Bentley	Not started		
		7.2	Implement a process to identify both operational and strategic risks using the framework	David Bentley	Not started		
8. Risk Management: Operational and Strategic Risk Registers We recommend the Shire, as a matter of priority, go through the process of identifying its strategic and operational risks, capturing the risks within formal risk registers, assess and manage those risks on an ongoing basis and ensure that the progress of monitoring and managing those risks is reported to the Audit Committee. We also recommended that both the operational and strategic risk registers should be discussed regularly at each Audit Committee meetings, detailing any new risks that have been identified and also to outline the action taken by the Shire in mitigating the identified risks. Further, we recommend that the Audit Committee's Terms of Reference should be updated to reflect the Committee's responsibility for oversight of the Shire's risks and that a copy of the Shire's risk register, including evidence of the Shire's progress of actions taken to minimise the Shire's risks be tabled at each Audit Committee meeting to enable the Committee to be satisfied that the Shire's identified risks are being managed. This should be a standing agenda item for each Audit Committee meeting.	Following development of a Risk Management Framework and Policy, the Shire of Kent will begin developing risk registers to ensure strategic and operational risks are captured. This may require the assistance of a consultant.	8.1	Develop a risk register to capture strategic and operation risks.	David Bentley	Not started		
	It is noted that the State Government is making changes to Audit Committees, with new Committees called Audit, Risk and Improvement Committees coming into play in the near future. The Shire of Kent will adopt whatever changes to its audit committee structure is necessary to give rise to the changes in legislation with Audit, Risk and Improvement Committees when it becomes known.	8.2	Formulate a process whereby the risk register is reported at ARIC meetings	David Bentley	Not started		
9. Fraud Identification and Prevention Policy We recommend that a Fraud Risk Prevention policy be developed and communicated to all staff. The fraud prevention policy would normally include: · Definition of actions that are deemed to be fraudulent · Responsibilities for overall management of fraud · Procedures that staff should follow if a fraud is suspected · Statement that all instances of suspected fraud will be investigated and reported to the appropriate authorities · A statement that all fraud offenders will be prosecuted and that the police will be assisted in any investigation that is required · A statement that all efforts will be made to recover wrongfully obtained assets · Encouragement to employees to report any suspicion of fraud	As fraud is a risk to the Shire and the local government sector generally, a Fraud Identification and Prevention Policy will be developed as a control mechanism to that risk when the Shire's risk registers are formalised.	9.1	Develop a Fraud Identification and Prevention Policy	David Bentley	Not started		

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10. Internal Control: Policy We recommend the Shire consider developing an Internal Control Policy which should outline the following elements: · The promotion of a risk-based approach to the development and maintenance of documented internal controls and procedures. This is to support a continual assessment of appropriate controls throughout the Shire by identifying the need for new controls (based on risk) and ensuring existing outdated and unnecessary controls are discontinued. This can be accomplished via staff awareness on the importance of compliance with key internal controls and how non-compliance can impact the Shire. · Documenting the Shire's key internal controls including the importance of all staff to be aware of the importance of maintaining proper segregation of duties controls especially within high-risk areas such as accounts payable, accounts receivable, payroll and procurement functions. · Outlining a set of measures that should be implemented such as continual staff training etc to ensure staff are fully aware of, and understand, the relevant importance of key internal controls within their workplace. · The Shire should also consider including the requirement for all staff to be responsible for control awareness and also to contribute to the identification of risk areas within their workplace and their areas of responsibility. This could be done by adding these responsibilities in their respective job descriptions and also incorporated as part of their induction program.	The Shire of Kent will undertake the exercise of documenting internal controls but will do it in a manner that does not expose it to further risk. The Shire of Kent will investigate options in relation to formalising internal controls and procedures. Formalising the Shire's internal controls in a policy would mean that internal controls would be a matter of public record, diminishing the internal controls' effectiveness and expose potential vulnerabilities in the Shire's internal controls to external and potentially hostile parties.	10.1	Consider and implement acceptable and auditable options to track and manage internal controls to minimise risk exposure	David Bentley	Not started		
11. Legislative Compliance: Legislative Compliance Policy We recommend the following: · Consideration should be given to the implementation of a Legislative Compliance policy which outlines the responsibility for compliance with legislative requirements and how such compliance is to be met. We would suggest that the Shire could better and fully utilise the Compliance Calendar software or investigate whether other software products such as ATTAIN software could be appropriate. Should this option be implemented clear responsibilities should be assigned for monitoring compliance. Alternatively, we would recommend: · Consideration be given for the Shire to develop various legislative compliance checklists to enable various areas within the Shire (or by a dedicated governance officer position) to undertake regular self-assessment checks. We would suggest that these be undertaken regularly throughout the calendar year and be signed off attesting to compliance. These can be undertaken in conjunction with the annual Compliance Audit Return (CAR) and would complement the (CAR) process. Further, consideration should also be given to include within each updated policies, protocols and procedures reference to the applicable legislative requirement. This then provides information to staff that by following the policy or procedure legislative compliance is being achieved.	The Shire of Kent will investigate options for the recording of legislative compliance dates, deadlines and responsibilities. A policy would not achieve the desired outcomes. Costings will be sought to implement a more centralised and accurate compliance management tool, such as Attain.	11	Investigate and implement options for the recording of legislative compliance dates, deadline and responsibilities.	David Bentley	Not started		
12. Risk Management: Testing of Business Continuity Plan and IT Disaster Recovery Plan We recommend that the Business Continuity Plan and the IT Disaster Recovery Plan should be finalised and subjected to regular testing to ensure the action plans can be effectively implemented should a disaster occur.	A Business Continuity Plan and IT Disaster Recovery Plan is currently in active development. Part of the development of these documents includes a testing regime prior to adoption to ensure the plans are fit for purpose and work in the Shire of Kent's context.	12.1	Finalise the Business Continuity Plan	David Bentley	In progress	Final draft of the Business Continuity Plan is with the Executive Team for feedback	
		12.2	Finalise the IT Disaster Recovery Plan	Patrick Davies	Complete	IT DR Plan Completed	Jun-26
13. Legislative Compliance: Complaints Register We recommend the Shire develop complaints guidelines and a complaints register to log all complaints, track their status, identify trends and ensure accountability. Relevant managers and staff should have controlled access to the register to monitor and update progress as needed.	The Shire of Kent will review its Customer Service Charter to ensure a complaints management process is in place and is effective, with management reviewing a register on an ongoing basis to ensure complaints are being managed. It is noted that the Shire of Kent has a Complaints Register as mandated by section 5.121 of the Local Government Act 1995 and that the complaints register outlined in the recommendation doesn't relate to legislative compliance.	13.1	Review the Customer Service Charter	David Bentley	Complete		Jun-26
		13.2	Undertake a regular review of the Customer Service Charter	David Bentley	Due later		Review 2028
FMR informal recommendations/observations							
14. Supplier/Vendor Database The Shire's Supplier/Vendor database is not periodically checked to ensure any duplicated Suppliers/Vendors or old no longer used Supplier/Vendors that may appear in the database are identified and suspended.		14.1	Update the Creditor Application Form to capture bank account ABN details, also requiring this evidence to be provided by the applicant	Te Rina Akuhata	Complete		Jun-26
		14.2	Systematically review the Creditor Master Supplier file	Te Rina Akuhata	In progress		
15. CCTV over Point-of-Sale System There is currently no CCTV nor a duress alarm system installed at the Shire's cash collection location. Although not a Shire priority due to the level of cash received daily, they do serve as a deterrent and a safety mechanism for staff collecting and handling cash.		15.1	Nil - ELT decision not to implement at this time	n/a	n/a		n/a
16. Council Policies The Shire's Finance and Administration policy was last reviewed 19 May 2021. All Council policies and Shire procedures should be reviewed at least once every 2-3 years.		16.1	Undertake regular review of Council policies	David Bentley	In progress	Review is underway of all Council policies. Will be presented to Council for consideration.	
17. Purchase Orders Purchase orders are required to be approved at the quote acceptance stage and prior to the date a supplier invoice is received. We noted 2 instances where a purchase order was approved after a supplier invoice was received and also 1 instance where a purchase order was approved for $1 but the supplier invoice stated $50,714.00.		17.1	Review the current PO process for areas of improvement	Te Rina Akuhata Gary Mathewson	Complete		Aug-25
18. Investment Management The Shire's investment management policy requires that the investment register details the name of the institution to which the investment is made. The Shire's investment register does not currently show the name of the institutions.		18.1	Update the investment register to show the name of the institution	Jenni Dolan	Complete		Aug-25
Reg. 17 informal recommendations/observations							
19. Staff Induction Checklist We noted that although a staff induction checklist exists, we noted that the induction checklist is not signed off by staff and the staff supervisor as evidence that an induction was undertaken. Also noted that no induction process is in place for new Councillors and new Committee members.		19.1	The induction checklist will be signed by the relevant personnel and recorded in Synergy	Bree Woodruff	Complete		Jun-26
		19.2	Formalise a process for the induction of Councillors and committee members	David Bentley	Not started	Will be considered and done closer to the 2027 Ordinary Local Government Elections.	
20. Code of Conduct Policy We noted that the code of conduct policy was last reviewed in 2021 and is now due for review. All Council policies and Shire guidelines/procedures should be reviewed at least once every 2-3 years.		20.1	Review the Code of Conduct policy	David Bentley	In progress		
		20.2	Undertake a regular review of the Council policies		n/a		See 16.1
21. End of Month Checklist We noted that the monthly payroll reconciliation has not been included in the End of Month Checklist.		21.1	Include the payroll reconciliation in the End of Month Checklist	Jenni Dolan	Complete		Oct-25