

corruption risk because of controls that need to be strengthened. Some examples include passwords to information technology systems and stock takes of portable IT assets; the frequency of stock takes at Council's library; and the need for log books for council vehicles.

The review found that a number of policy gaps as well as a number of existing policies which require updating and/or extending.

The development of the draft fraud policy, *Maintaining Our Ethical Workplace - A Strategy for Preventing, Detecting, Investigating and Dealing with Fraud and Corruption* is noted. It is understood that a plan to translate this policy into action to improve Council's systems and processes in this area is being developed. It is critical that Council not only adopt this plan but implement it as a matter of priority.

4. Several critical strategic Information Technology concerns that have significant impact of Council's standards of governance need attention. A *Review of IT Health Check* carried out by an external consultancy firm recently highlights these concerns. It is noted that an action plan to implement the required improvements was adopted by Council on 16 July 2008.
5. By not tendering for legal services, Council may not comply with its own purchasing policy. Council's purchasing policy strives for value for money, probity, equity and effective competition. Under section 55 of the Act and Part 7 of the Regulation councils must invite tenders for contracts involving an estimated expenditure of over \$150,000.
6. A range of improvements are required in terms of the management of Council's fleet of vehicles. The areas of "almost certain risk of fraud and corruption" identified in Council's recent risk assessment should be attended to immediately.

It is further noted that Council proposes to develop a Governance Health Check Action Plan by the end of December 2008. This action plan will be used to drive the continuous improvement and rolling programs for all governance activities at the Council. Given the scope and extent of improvements that are required in the