

# Audit Committee Meeting

1 July 2019

## Minutes



Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Agendas and Minutes are available on the City's website [www.kwinana.wa.gov.au](http://www.kwinana.wa.gov.au)

## Vision Statement

### **Kwinana 2030**

*Rich in spirit, alive with opportunities, surrounded by nature – it's all here!*



## Mission

*Strengthen community spirit, lead exciting growth, respect the environment  
- create great places to live.*

We will do this by –

- providing strong leadership in the community;
- promoting an innovative and integrated approach;
- being accountable and transparent in our actions;
- being efficient and effective with our resources;
- using industry leading methods and technology wherever possible;
- making informed decisions, after considering all available information; and
- providing the best possible customer service.

## Values

We will demonstrate and be defined by our core values, which are:

Lead from where you stand – *Leadership is within us all.* | Act with compassion – *Show that you care.* | Make it fun – *Seize the opportunity to have fun.* | Stand Strong, stand true – *Have the courage to do what is right.* | Trust and be trusted – *Value the message, value the messenger.* | Why not yes? – *Ideas can grow with a yes.*





## **Present:**

MAYOR CAROL ADAMS  
DEPUTY MAYOR PETER FEASEY  
COUNCILLOR M KEARNEY  
COUNCILLOR S LEE  
COUNCILLOR S MILLS  
COMMITTEE MEMBER G MCMATH

COUNCILLOR WENDY COOPER - Observer

MS J ABBISS	-	Chief Executive Officer
MS C MIHOVLOVICH	-	Director City Strategy
MRS M COOKE	-	Director City Regulation
MS M BELL	-	Director City Legal
MRS B POWELL	-	Director City Engagement
MRS T LAAS	-	Business Support Officer (Engineering)
MS A MCKENZIE	-	Council Administration Officer

Members of the Press	0
Members of the Public	0

## **1 Declaration of Opening:**

*Presiding Member declared the meeting open at 5:30pm and welcomed Councillors, City Officers and gallery in attendance and read the Welcome.*

"IT GIVES ME GREAT PLEASURE TO WELCOME YOU ALL HERE AND BEFORE COMMENCING THE PROCEEDINGS, I WOULD LIKE TO ACKNOWLEDGE THAT WE COME TOGETHER TONIGHT ON THE TRADITIONAL LAND OF THE NOONGAR PEOPLE"

## **2 Apologies/Leave(s) of Absence (previously approved)**

### **Apologies**

Nil

### **Leave(s) of Absence (previously approved):**

Nil

## **3 Public Question Time:**

Nil

#### **4 Declarations of Interest by Members and City Officers:**

Nil

#### **5 Minutes to be Confirmed:**

##### **5.1 Audit Committee Meeting held on 11 March 2019:**

##### **COMMITTEE DECISION**

**MOVED CR S MILLS**

**SECONDED CR S LEE**

**That the Minutes of the Audit Committee Meeting held on 11 March 2019 be confirmed as a true and correct record of the meeting.**

**CARRIED  
6/0**

## 6 Reports:

### 6.1 Organisational Risk Register

#### **DECLARATION OF INTEREST:**

There were no declarations of interest declared.

#### **SUMMARY:**

This report is provided to the Audit Committee for noting.

Council has endorsed a Risk Management Council Policy to manage all risks that have been identified and that could impact the City if they were not managed and evaluated appropriately. At every Audit Committee Meeting the Committee receives a report detailing identified risks and the progress of the actions to manage those risks. This report entitled the City of Kwinana Risk Register is enclosed as Attachment A.

#### **OFFICER RECOMMENDATION:**

That the Audit Committee note the City of Kwinana Risk Register detailed in Attachment A.

#### **DISCUSSION:**

The Organisational Risk Register is provided to the Audit Committee at each Audit Committee Meeting. The City accepts the taking of calculated risks, the use of innovative approaches and the development of new opportunities to improve service delivery and achieve its objectives, provided that the risks are properly identified, evaluated and managed.

Within the Organisational Risk Register a number of risk events have been identified including a number that have a high risk rating. The City's response to the high risk events are detailed in Attachment A.

#### **LEGAL/POLICY IMPLICATIONS:**

Regulation 17 of the *Local Government (Audit) Regulations 1996* provides:

#### **17. CEO to review certain systems and procedures**

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
  - (a) *risk management; and*
  - (b) *internal control; and*
  - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

**6.1 ORGANISATIONAL RISK REGISTER****FINANCIAL/BUDGET IMPLICATIONS:**

The actions that have been identified in this report have been costed for inclusion in the budget and Long Term Financial Plan.

**ASSET MANAGEMENT IMPLICATIONS:**

Asset Management Plans will be updated to incorporate asset management implications identified as a result of this report.

**ENVIRONMENTAL IMPLICATIONS:**

There are environmental implications identified as a result of this report and will be considered as part of the review of the City's Waste Management Strategy.

**STRATEGIC/SOCIAL IMPLICATIONS:**

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

<b>Plan</b>	<b>Outcome</b>	<b>Objective</b>
Corporate Business Plan	Civic Leadership	5.3 Maintain and improve risk management

**COMMUNITY ENGAGEMENT:**

There are no community engagement implications as a result of this report.

**PUBLIC HEALTH IMPLICATIONS**

There are public health implications identified as a result of this report and the City will:

- consider public health implications as part of the submission to the Department of Health.
- monitor assessments and insure appropriate action is addressed in the Mandogalup Improvement Scheme preparation.

**RISK IMPLICATIONS:**

The risk implications in relation to this proposal are as follows:

Risk Event	The Audit Committee does not receive the Organisational Risk Report.
Risk Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Effect/Impact	Compliance

**6.1 ORGANISATIONAL RISK REGISTER**

Risk Assessment Context	Strategic
Consequence	Major
Likelihood	Unlikely
Rating (before treatment)	Moderate
Risk Treatment in place	Reduce - mitigate risk
Response to risk treatment required/in place	Risk Report will be presented to the Audit Committee at each Audit Committee Meeting to ensure compliance with the <i>Local Government (Audit) Regulations 1996</i> for the CEO to have systems and processes in place for risk management.
Rating (after treatment)	Low

**COMMITTEE DECISION****MOVED CR P FEASEY****SECONDED CR S MILLS**

**That the Audit Committee note the City of Kwinana Risk Register detailed in Attachment A.**

**CARRIED  
6/0**

Organisation Risk Register																
Business Unit																
For more information please see the Risk Management Policy																
Risk Event	Risk Themes	Risk Theme Description	Risk Effect/ Impact	Risk Assessment Context	Consequence	Likelihood	Rating (before treatment)	Risk treatments in place	Risk treatments required/Response (Opportunities for Improvement List)	Consequence	Likelihood	Rating (after treatment)	Risk Status	Directorate	Risk owner/ author	Comments/Date
The City Officers are unclear on the requirements of the level of stakeholder relationship management protocols for a particular matter and this results in damaged relationships and future partnering opportunities	Inadequate engagement practices	Failure to maintain effective working relationships with the Community (including Local Media), Stakeholders, Key Private Sector Companies, Government Agencies and/or Elected Members. This invariably includes activities where communication, feedback and/or consultation is required and where it is in the best interests to do so. This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and/or Bus/Transport services.	Reputation	Strategic	Moderate	Possible	Moderate	Prepare Contingent Plans - in event risk occurs	Stakeholder Management Plan to be developed			Low	Open	City Engagement	Manager Community Engagement	Yet to be commenced. Awaiting implementation of service review to enhance resourcing capability.
The City not considering all possible risks occurring at events	Ineffective management of facilities/venues/events	Failure to effectively manage the day to day operations of facilities, venues and/or events.	Service Delivery	Operational	Moderate	Unlikely	Moderate	Reduce - mitigate risk	Update Risk Management Plan component of Event applications Review the internal process (engagement) for Event Notifications			Moderate	Open	City Engagement	Director City Engagement	Meetings to improve risk management plans are in progress. Two internal events working groups have been established – operational and strategic, and the internal process for information collation and transfer is working well. Specific focus risk management planning sessions have been implemented for the Rock Symphony Concert, held on a monthly basis in the lead up to the event. Agendas and minutes of all meetings are recorded.
Inadequate asset condition assessments and investment to address the City's commitment to asset management	Inadequate asset sustainability practices	Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. It does not include issues with the inappropriate use of the plant, equipment or machinery. Refer Misconduct.	Property	Strategic	Major	Possible	High	Reduce - mitigate risk	Ensure Policy is adequate and reviewed in line with Council's Policy review process. Prioritisation of asset management projects and accurate planning of works. Consider appropriate contingency in budget estimation phase. Prepare asset management plans and review annually.			Moderate	Open	City Infrastructure	Manager Asset Management Services	Asset Management Plans will be presented to Council in 2020.
The asset management data that is to inform asset management decisions and the Long Term Financial Plan is of poor quality that leads to Council investing in assets that are not a priority	Inadequate asset sustainability practices	Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. It does not include issues with the inappropriate use of the plant, equipment or machinery. Refer Misconduct.	Property	Strategic	Major	Possible	High	Reduce - mitigate risk	Continuously review and update asset data to ensure quality and completeness. For data collection projects undertaken by external contractor, develop comprehensive scope of works to ensure data quality followed by good project management practices. Implement Strategic Asset Module. Ensure the alignment of infrastructure assists between Financial and other Asset Management Systems. Review the Capital project Funding process (two elements - funding/ongoing maintenance and Performance Manager scope).			Low	Open	City Infrastructure	Technical Officer- Civil Infrastructure Assets / Coordinator Technical Operations	The brief for the replacement of the Corporate Business System includes the requirement for an integrated asset management system. Asset Management Plans have been reviewed and fed into the LTFP, this is an ongoing process.
Contracts Team and purchasing officers not controlling the risks associated with procurement and the administration of purchases and contracts	Inadequate supplier/contract management	Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management and monitoring processes.	Service Delivery	Operational	Moderate	Possible	Moderate	Reduce - mitigate risk	Review current Procurement Process Implement a Tenders / Contracts Module within the City's software system. Review current process for the recording / tracking of contractor performance.			Moderate	Open	City Legal	Manager Contracts	The Contracts team intends to implement a new e-procurement system and procurement documentation that will streamline and simplify the administrative processes associated with procurement activities. The Contracts team will be conducting procurement training for the City Officers. Rolling out new process control mechanisms and procurement documentation within the Contracts team and other City Officers. Purchasing procedures have been updated to include officer responsibilities for managing and recording supplier performance. Contractor management will be included in the scope of work for any request for Corporate Business System supplier software options.  The Contracts Team has and is still developing contracts handover, and post award documentation and procedures to assist officers with their contract management duties.
The City does not meet its statutory compliance obligations	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Compliance	Operational	Major	Unlikely	Moderate	Reduce - mitigate risk	Develop a compliance calendar that identifies the City's obligations and when they are due			Moderate	Closed	City Legal	Governance Officer	The City currently reviews the compliance calendar as required. WALGA have provided a new template, a review is currently being conducted to incorporate the existing calendar and WALGA's compliance template.  The City's compliance software provider is currently working on an additional module within the system for a compliance calendar.
The City is not fulfilling its Worksafe and OSH requirements	Inadequate safety and security practices	Non-compliance with the Occupation Safety and Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.	Compliance	Operational	Major	Possible	High	Reduce - mitigate risk	Carry out an LGIS Safety Audit Review every three years Review outcomes from LGIS Safety Audit Review and implement relevant actions			Moderate	Closed	City Strategy	Health, Safety and Injury Management Coordinator	Actions from the OSH Action Plan are incorporated into the current OSH Plan 2018 to 2020. This includes all actions recommended as part of the LGIS Safety Audit Review.
City Officers are not aware of the risks and procedures to follow associated with working alone	Inadequate safety and security practices	Non-compliance with the Occupation Safety and Health Act, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.	People/Health	Operational	Major	Likely	High	Reduce - mitigate risk	Review Working Alone procedures for staff			Moderate	Closed	City Strategy	Health, Safety and Injury Management Coordinator	The Working Alone guideline has been completed as part of the improvements and has been published.
The City is exposed to risks of external parties accessing the IT systems and infrastructure	Failure of IT or systems and infrastructure	Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. This does not include new system implementations - refer "Inadequate Project/Change Management".	Service Delivery	Project	Major	Possible	High	Reduce - mitigate risk	Provide City Officers with update on IT projects. Carry out an IT security audit.			Moderate	Closed	City Strategy	Manager IT	The IT security audit was completed in December 2018 and the recommendations have been implemented.
The City does not manage its projects and this causes time delays, exceeding budget allocation and original scope not being delivered.	Inadequate project/change management	Inadequate analysis, design, delivery and/or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes.	Service Delivery	Operational	Major	Possible	High	Reduce - mitigate risk	The implementation of PRINCE2 project management into the City has included face to face training, templates developed to guide project managers in the level of detail required and other resources such as assistance in how to move within each step and from one stage to the next stage. A copy of the face to face training is available on the intranet with a voice over in order for City Officers to access at any time.			Moderate	Open	City Strategy	Director City Strategy	Current controls of managing projects include highlight reports, checkpoint reports, end of stage reports, issue reports and stage plans using the PRINCE2 project management framework.  Performance Management software is available to Project Managers to be used as a tool to track status and progress of projects.
The Corporate Business System is not effective, creates inefficiencies, causes work around, delays and errors	Failure of IT or systems and infrastructure	Instability, degradation of performance, or other failure of IT Systems, Infrastructure, Communication or Utility causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. This does not include new system implementations - refer "Inadequate Project/Change Management".	Service Delivery	Strategic	Moderate	Likely	High	Reduce - mitigate risk	Implement a new Corporate Business System to avoid work around, manual tasks being performed, errors and delays in waiting for programs to be fixed			Moderate	Open	City Strategy	Director City Strategy	Council endorsed to award the Corporate Business System contract to TechnologyOne and to date, the City has completed the configuration stage of the Phase One modules.



The City does not carry out its integrated planning requirements in accordance with the relevant legislation	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Compliance	Strategic	Major	Possible	High	Reduce - mitigate risk	The appointment of an Integrated Planning Officer to oversee the review and improvement of all integrated planning documents.			Low	Closed	City Strategy	Integrated Planning and Special Projects Officer	As part of the position description of this role includes completion of the Strategic Community Plan and Corporate Business Plan.
The City does not meet its Quality Management ISO accreditation requirements	Inadequate Document Management Processes	Failure to adequately capture, store, archive, retrieve, provision and/or disposal of documentation.	Compliance	Operational	Minor	Possible	Moderate	Reduce - mitigate risk	Review the process for document reviews (internal control)			Moderate	Closed	City Strategy	Business Improvement Officer	The City is considering Business Process Modelling (BPM) software which will enhance and streamline the City's quality management process. The City has selected a software provider and will trial software over the next 12 months to determine whether there are efficiencies in staff time managing the quality management system for the City.
City Officers providing customers with inaccurate information	Providing inaccurate advice/ information	Incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. This could be caused by using unqualified, or inexperienced staff, however it does not include instances relating to Misconduct.	Compliance	Operational	Major	Unlikely	Moderate	Reduce - mitigate risk	Implement the 'Knowledge Base' Project Carry out training and briefings to Customer Service Officers			Moderate	Open	City Strategy	Customer Service Coordinator	The full organisation implementation of the Knowledge Base Project is pending, awaiting the review of the City's operating systems. Until then, to ensure consistency of information, all Customer Service Officers access OneNote which is being used to collate and store Knowledge base articles.
The Enterprise Agreement between the City of Kwinana and its staff is delayed	Ineffective employment practices	Failure to effectively manage and lead human resources (full/part time, casuals, temporary and volunteers). This includes not having an effective Human Resources Framework in addition to not having appropriately qualified or experienced people in the right roles or not having sufficient staff numbers to achieve objectives. Care should be taken when considering insufficient staff numbers as the underlying issue could be process inefficiencies.	People/Health	Strategic	Minor	Possible	Moderate	Reduce - mitigate risk	Commence negotiations, clear and frequent communication to staff in relation to the progress of the Enterprise Agreement.			Moderate	Open	City Strategy	Manager Human Resources	The Enterprise Agreement was successfully negotiated and endorsed by Council and has been forwarded to the FairWork Commission for approval.
The City under insures an asset and an event occurs that requires replacement and there are insufficient insurance proceeds to fund the project	Inadequate supplier/contract management	Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management and monitoring processes.	Property	Strategic	Moderate	Unlikely	Moderate	Avoid - remove cause of risk	Carry out insurance replacement value assessments for all assets once every three years. Increase the value of replacement costs from advice from asset management team for all other years that an insurance replacement value assessment is not undertaken.			Low	Open	City Strategy	Manager Finance	Insurance values have increased for the 2018/2019 financial and insurance year. A review will occur annually.
That the City does not have any controls in place for cash handling which could lead to misconduct	Misconduct	Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice/Information.	Financial	Strategic	Moderate	Possible	Moderate	Reduce - mitigate risk	Create a Cash Handling Policy and Procedure			Low	Closed	City Strategy	Manager Finance	Cash Handling Policy and procedure has been completed.
The City operating services and projects that are not aligned to the Strategic Community Plan and Corporate Business Plan	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Compliance	Strategic	Minor	Possible	Moderate	Reduce - mitigate risk	Improve the reporting function to report quarterly to Council on the actions  City Officers report through Performance Manager to provide Council with the best possible update on progress towards the Strategic Community Plan and Corporate Business Plan.			Low	Closed	City Strategy	Integrated Planning and Special Projects Officer	A Council report is presented to Council quarterly.
Decisions that affect Kwinana are being made without a City of Kwinana/Council delegate being represented.	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Service Delivery	Strategic	Moderate	Unlikely	Moderate	Reduce - mitigate risk	Appointment of voting delegates and proxy voting delegates at the Annual General Meeting of the Western Australian Local Government Association on behalf of the City of Kwinana. At the first Council meeting after an election, nominations of Elected Members and Officers to Committees are approved by Council.			Low	Closed	City Strategy	Council Administration Officer	A report is presented to Council at the next Council meeting after an election.
Fraud, scams and contractor collusion. Consequence - financial loss. Legal prosecution. Crime and Corruption - External	External theft and fraud	Loss of funds, assets, data or unauthorised access, (whether attempts or successful) by external parties, through any means (including electronic).	Financial	Operational	Major	Possible	High	Reduce - mitigate risk	Process to confirm the identity of the contractor. Identity similarities in tender/quotation submissions including prices and report to ACCC.	Major	Possible	High	Open	City Legal	Manager Contracts	Continually ongoing process and monitoring
Insufficient funding to maintain assets	Inadequate asset sustainability practices	Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal. It does not include issues with the inappropriate use of the plant, equipment or machinery. Refer Misconduct.	Property	Operational	Catastrophic	Likely	Extreme	Prepare Contingent Plans - in event risk occurs	Prioritisation of building asset management projects and accurate planning of works. Consider appropriate contingency in budget estimation phase	Major	Likely	High	Open	City Infrastructure	Council	In developing the LTFP Council has prioritised service provision resulting in a reduction of funds available for asset renewals in the short to medium term. In the latter years of the LTFP funding is increased.
Asset not fit for purpose (Design) Non compliant internal design	Errors omissions delays	Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process. This excludes process failures caused by inadequate/incomplete procedural documentation - refer "Inadequate Document Management Processes".	Financial	Operational	Major	Possible	High	Reduce - mitigate risk	Use correct checklists of current design standards, work instructions in Saved Searches. Access all relevant standard, Design peer review and lessons learnt register.	Major	Likely	High	Open	City Infrastructure	Manager Engineering services	To reduce this risk a pavement design process needs to be implemented. Although the risk is reduced, the wide range of the major consequence "bracket" retains the residual risk as high.
Failure to address community behaviour change to ensure improved waste management practices, reduce contamination and increase waste diversion.	Inadequate project/change management	Inadequate analysis, design, delivery and/or status reporting of change initiatives, resulting in additional expenses, time requirements or scope changes.	Environment	Strategic	Moderate	Almost certain	High	Reduce - mitigate risk	Prepare a Waste Education Plan and implement the actions of the plan.	Minor	Possible	Moderate	Open	City Regulation	Coordinator Environmental Health & Waste Services	The Waste Education Plan was adopted by Council in December 2018 and the actions of the plan will be implemented.
The Draft Waste Strategy 2030 is adopted without change and the State legislates for all Local Governments to comply with the draft Waste Strategy, requiring the City to adopt a 3-bin FOGO system by 2025.	Failure to fulfil statutory regulations or compliance requirements	Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal and public domain) to reflect changes. This does not include Occupational Safety and Health Act (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective Employment practices") It does include legislative based obligations for Local Government, such as the Local Government Act 1995.	Compliance	Strategic	Major	Almost certain	Extreme	Avoid - remove cause of risk	Request for a variation to the Draft Strategy 2030 and take other necessary measures to ensure that compliance with the draft Waste Strategy is not compulsory for the City.	Major	Likely	High	Open	City Regulation	Manager Environmental Health	The Waste and Resource Recovery Strategy 2030 (WRRS) was adopted by the State without change from the draft version. A key objective of the strategy is for all Local Government to transition to a 3 bin FOGO system by 2025. That being said, it is not certain how the State Government will legislate or enforce this requirement and as such Council has determined to continue to advocate and lobby key stakeholders of the City's position adopted in February 2019.  The City will be undertaking a review of the City's Waste Management Strategy in 2020 which will have regard to the WRRS.

The Draft Waste Strategy 2030 is adopted without change and the State legislates for all Local Governments to comply with the draft Waste Strategy, requiring the City to adopt a 3-bin FOGO system by 2025.	Inadequate supplier/contract management	Inadequate management of External Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management and monitoring processes.	Financial	Strategic	Major	Likely	High	Avoid - remove cause of risk	Request for a variation to the Draft Strategy 2030 and take other necessary measures to ensure that compliance with the draft Waste Strategy is not compulsory for the City.	Major	Likely	High	Open	City Regulation	Manager Environmental Health	<p>The Waste and Resource Recovery Strategy 2030 (WRRS) was adopted by the State without change from the draft version. A key objective of the strategy is for all Local Government to transition to a 3 bin FOGO system by 2025. That being said , it is not certain how the State Government will legislate or enforce this requirement and as such Council has determined to continue to advocate and lobby key stakeholders of the City's position adopted in February 2019.</p> <p>The City will be undertaking a review of the City's Waste Management Strategy in 2020 which will have regard to the WRRS.</p>
Missed opportunity to create effective legislation to manage public health risks at events	Ineffective management of facilities/venues/events	Failure to effectively manage the day to day operations of facilities, venues and/or events.	People/Health	Strategic	Catastrophic	Possible	High	Reduce - mitigate risk	Provide a comprehensive submission to the Department of Health after careful consideration of the current practices, issues and implications of future changes.	Major	Rare	Low	Open	City Regulation	Manager Environmental Health	The City is currently in the process of preparing a submission to the Department of Health Events Review process was reported to Council in June 2019.
Potential negative impact on the amenity and public health of proposed rezoning of land to residential purposes in Mandogalup.	Inadequate environmental management	Inadequate prevention, identification, enforcement and management of environmental issues.	People/Health	Strategic	Major	Possible	High	Avoid - remove cause of risk	Maintenance of Air Quality Buffers in Mandogalup to protect health and amenity of sensitive by the Minister for Environment and the Western Australia Planning Commission. Ensure that adequate and comprehensive air quality assessments are undertaken to inform Improvement Plan and Improvement Scheme formulation for Mandogalup.	Major	Possible	Moderate	Open	City Regulation	Coordinator Environmental Health & Waste Services	<p>On adoption of the recommendation by Council, the City has written to the Minister for Environment and the WAPC to maintain the current air quality buffers.</p> <p>This Risk will be monitored by City Officers as part of their role on the Mandogalup Improvement Scheme preparation and further actions taken as required where necessary.</p>

**7 Urgent Business:**

Nil

**8 Response to Previous Questions:**

Nil

## **9 Matters Behind Closed Doors**

### **COMMITTEE DECISION**

**MOVED CR P FEASEY**

**SECONDED CR M KEARNEY**

**That in accordance with Sections 5.23(2)(d) of the *Local Government Act 1995*, the Audit Committee move behind closed doors to allow discussion of the Matters Behind Closed Doors items.**

**CARRIED  
6/0**

*The Council Chambers doors were closed at 5:36pm.*

### **9.1 Internal Audit Report**

### **COMMITTEE DECISION**

**MOVED CR S LEE**

**SECONDED CM G MCMATH**

**That the Audit Committee:**

- 1. Note the action status update for any outstanding actions from previous internal audit findings as detailed in Attachment A.**
- 2. Receive the internal audit findings for the period Quarter Three of 2018/2019, and establish actions as detailed in Attachment B.**
- 3. Include established actions for Quarter Three of 2018/2019 from Attachment B as part of the next quarter's action status update.**
- 4. Endorse the Internal Audit Plan for Quarter Four of 2018/2019, as detailed in Attachment C, to be undertaken during the period 1 July 2019 to 16 September 2019 for the following auditable units:**
  - a) Community Engagement - Events;**
  - b) Environmental Health;**
  - c) Environment; and**
  - d) Building Services.**
- 5. Endorse the revised Internal Audit Plan (as per Attachment D) and the increase in hours allocated to maximise the value of the internal audit process.**

**CARRIED  
6/0**

### **COMMITTEE DECISION**

**MOVED CR P FEASEY**

**SECONDED CR M KEARNEY**

**That the Audit Committee return from Behind Closed Doors.**

**CARRIED  
6/0**

*The Council Chambers doors were reopened at 5:57pm.*



## **10 Next Meeting**

The next Audit Committee Meeting is scheduled to be held on 16 September 2019.

## **11 Meeting Closure:**

The Mayor declared the meeting closed at 5:59pm.

Chairperson: \_\_\_\_\_ 10 July 2019