Audit Committee Meeting
1 July 2019

Agenda

Notice is hereby given of the Audit Committee Meeting to be held in the Council Chambers, City of Kwinana Administration Centre commencing at 5:30pm.

Joanne Abbiss
Chief Executive Officer

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
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.*
1 Declaration of Opening:

Presiding Member to 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

Leave(s) of Absence (previously approved):

3 Public Question Time:


In accordance with Regulation 6 of the Local Government (Administration) Regulations 1996, the minimum time allowed for Public Question Time is 15 minutes.

A member of the public who raises a question during Question Time is to state his or her name and address.

4 Declarations of Interest by Members and City Officers:

Section 5.65(1) of the Local Government Act 1995 states:
A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —

(a) in a written notice given to the CEO before the meeting; or
(b) at the meeting immediately before the matter is discussed.

Section 5.66 of the Local Government Act 1995 states:
If a member has disclosed an interest in a written notice given to the CEO before a meeting then —

(a) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
(b) at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matters to which the disclosure relates are discussed.
5 Minutes to be Confirmed:

5.1 Audit Committee Meeting held on 11 March 2019:

Moved Cr ....................... Seconded Cr ............................. that the Minutes of the Audit Committee Meeting held on 11 March 2019 be confirmed as a true and correct record of the meeting.
6 Reports:

6.1 Organisational Risk Register

DECLARATION OF INTEREST:

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 indentified 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.

<table>
<thead>
<tr>
<th>Plan</th>
<th>Outcome</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Business Plan</td>
<td>Civic Leadership</td>
<td>5.3 Maintain and improve risk management</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Risk Event</th>
<th>The Audit Committee does not receive the Organisational Risk Report.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk Theme</td>
<td>Failure to fulfil statutory regulations or compliance requirements</td>
</tr>
<tr>
<td>Risk Effect/Impact</td>
<td>Compliance</td>
</tr>
</tbody>
</table>
6.1 ORGANISATIONAL RISK REGISTER

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

<table>
<thead>
<tr>
<th>Risk Event</th>
<th>Risk Theme</th>
<th>Risk Theme Description</th>
<th>Area Affected</th>
<th>Type of Risk</th>
<th>Risk ID</th>
<th>Likelihood</th>
<th>Impact</th>
<th>Risk Management</th>
<th>Issue Date</th>
<th>Action Required</th>
<th>Average Response Time</th>
<th>负责人</th>
<th>Risk Source</th>
<th>Risk Source Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>The City Officers are unclear on the requirements of the Council's Community Engagement Strategy.</td>
<td>Stakeholder Engagement</td>
<td>Stakeholder Engagement</td>
<td>City</td>
<td>Strategic</td>
<td>Moderate</td>
<td>Likely</td>
<td>Moderate</td>
<td>Reduce Plan</td>
<td>Open</td>
<td>City Engagement</td>
<td>1-3 months</td>
<td>Stakeholder Engagement</td>
<td>City Engagement</td>
<td></td>
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<tr>
<td>The City is not fulfilling its obligations to provide sufficient technical documentation to ensure the physical security of staff, contractors and visitors.</td>
<td>Asset Sustainability</td>
<td>Asset Sustainability</td>
<td>City</td>
<td>Operational</td>
<td>Low</td>
<td>Likely</td>
<td>Low</td>
<td>Reduce Plan</td>
<td>Open</td>
<td>City Infrastructure</td>
<td>1-3 months</td>
<td>Asset Sustainability</td>
<td>City Infrastructure</td>
<td></td>
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<tr>
<td>The City is not fulfilling its obligations to provide sufficient technical documentation to ensure the physical security of staff, contractors and visitors.</td>
<td>Compliance</td>
<td>Compliance</td>
<td>City</td>
<td>Strategic</td>
<td>High</td>
<td>Likely</td>
<td>High</td>
<td>Reduce Plan</td>
<td>Open</td>
<td>City Infrastructure</td>
<td>1-3 months</td>
<td>Compliance</td>
<td>City Infrastructure</td>
<td></td>
</tr>
<tr>
<td>The City is not fulfilling its obligations to provide sufficient technical documentation to ensure the physical security of staff, contractors and visitors.</td>
<td>Quality</td>
<td>Quality</td>
<td>City</td>
<td>Operational</td>
<td>Medium</td>
<td>Likely</td>
<td>Medium</td>
<td>Reduce Plan</td>
<td>Open</td>
<td>City Infrastructure</td>
<td>1-3 months</td>
<td>Quality</td>
<td>City Infrastructure</td>
<td></td>
</tr>
<tr>
<td>The City is not fulfilling its obligations to provide sufficient technical documentation to ensure the physical security of staff, contractors and visitors.</td>
<td>Safety</td>
<td>Safety</td>
<td>City</td>
<td>Operational</td>
<td>High</td>
<td>Likely</td>
<td>High</td>
<td>Reduce Plan</td>
<td>Open</td>
<td>City Infrastructure</td>
<td>1-3 months</td>
<td>Safety</td>
<td>City Infrastructure</td>
<td></td>
</tr>
<tr>
<td>The City is not fulfilling its obligations to provide sufficient technical documentation to ensure the physical security of staff, contractors and visitors.</td>
<td>Corporate</td>
<td>Corporate</td>
<td>City</td>
<td>Strategic</td>
<td>High</td>
<td>Likely</td>
<td>High</td>
<td>Reduce Plan</td>
<td>Open</td>
<td>City Infrastructure</td>
<td>1-3 months</td>
<td>Corporate</td>
<td>City Infrastructure</td>
<td></td>
</tr>
<tr>
<td>The City is not fulfilling its obligations to provide sufficient technical documentation to ensure the physical security of staff, contractors and visitors.</td>
<td>Technology</td>
<td>Technology</td>
<td>City</td>
<td>Operational</td>
<td>High</td>
<td>Likely</td>
<td>High</td>
<td>Reduce Plan</td>
<td>Open</td>
<td>City Infrastructure</td>
<td>1-3 months</td>
<td>Technology</td>
<td>City Infrastructure</td>
<td></td>
</tr>
</tbody>
</table>

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D13/2562
The City's Draft Strategic Plan 2025 is designed to guide the City's growth and development. It sets out the City's vision, mission, values, and goals for the next five years. The Draft Strategic Plan includes six strategic goals, each with specific objectives and key performance indicators. It also identifies a range of initiatives to support the goals and objectives. The Draft Strategic Plan is subject to further consultation and review before final approval by the City Council.

The City's Draft Strategic Plan 2025 includes the following key components:

1. **Vision**: The City of Kwinana as a dynamic, sustainable, and connected community.
2. **Mission**: To provide quality services, facilities, and infrastructure to support a thriving community.
3. **Values**: Community, Integrity, Innovation, Collaboration, Excellence.
4. **Strategic Goals**:
   - Objective 1: To increase the City's economic development and job opportunities.
   - Objective 2: To improve the safety and wellbeing of residents.
   - Objective 3: To enhance the City's environment and sustainability.
   - Objective 4: To strengthen the City's social cohesion and community engagement.
   - Objective 5: To ensure the City's financial sustainability and operational efficiency.

The Draft Strategic Plan 2025 is subject to further consultation and review before final approval by the City Council. The City will be seeking feedback from residents, businesses, and other stakeholders to ensure the plan aligns with the needs and aspirations of the community. The final plan will be presented to the City Council for approval in early 2025.
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.

Missed opportunity to ensure effective legislation to manage public health risks onsite

dellectior management of facilities/measures/events

Potential negative impact on the amenity and public health of proposed rezoning of land to residential purposes in Mandogalup.

Inadequate environmental management

Potential negative impact on the amenity and public health of proposed rezoning of land to residential purposes in Mandogalup.
7  Urgent Business:

   Nil

8  Response to Previous Questions:

   Nil
9 Matters Behind Closed Doors

9.1 Internal Audit Report
10 Next Meeting

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

11 Meeting Closure: