



# Risk Management and Audit Committee

## **BUSINESS PAPER**

### **Wednesday 1 June 2022**

Meeting to be held commencing 4.00pm  
In the Council Chambers at 7 Bees Creek Road, Freds Pass

A handwritten signature in black ink, appearing to read 'Arun Dias', with a long horizontal stroke extending to the right.

**Arun Dias, Interim Chief Executive Officer**

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.



# RISK MANAGEMENT & AUDIT COMMITTEE AGENDA

## LITCHFIELD COUNCIL RMAC MEETING

### Notice of Meeting

to be held in the Council Chambers, Litchfield  
Wednesday, 1 June 2022 at 4.00pm

Arun Dias  
Interim Chief Executive Officer

Number	Agenda Item	Page
1	Opening of Meeting	3
2	Apologies and Leave of Absence	3
3	Disclosures of Interest	3
4	Confirmation of Minutes	
4.1	Confirmation of Minutes	4-9
5	Business Arising from the Minutes	
5.1	Council Action Sheet	11
6	Presentations	12
	Nil	
7	Accepting or Declining Late Items	12
8	Officers Reports	12
8.1	Audit Plan 2021-22	13-28
8.2	Long Term Financial Plan Software	29-30
8.3	Internal Audit and Risk Management Framework	31-79
9	Other Business	80
10	Confidential Items	80
10.1	ICT Business Continuity Plan	
10.2	Draft ICT Security Policy	
11	Close of Meeting	80

1. Opening of meeting

2. Apologies and Leaves of Absence

3. Disclosure of Interests

Any member of the RMAC who may have a conflict of interest, or a possible conflict of interest regarding any item of business to be discussed at the RMAC meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

4. Confirmation of Minutes

THAT the full minutes (including confidential minutes) of the Risk Management and Internal Audit Committee Meeting held Wednesday 23 February 2022, 6 pages, be confirmed.



# RISK MANAGEMENT AND AUDIT COMMITTEE MINUTES

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## LITCHFIELD COUNCIL COMMITTEE MEETING

### Minutes of Meeting

held in the Council Chambers, Litchfield

on Wednesday, 23 February 2022 at 10.06am

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<b>Present</b>	Garry Lambert	Chairperson
	Cr Mathew Salter	Committee Member
	Cr Mark Sidey	Committee Member
	Mayor Doug Barden	Ex-Officio
<b>Staff</b>	Daniel Fletcher	Chief Executive Officer
	Arun Dias	General Manager Business Excellence
	Leon Kruger	General Manager Infrastructure and Operations
	Nicky McMasters	General Manager Community and Lifestyle
	Maxie Smith	Manager Corporate Services
	David Jan	Manager Operations and Environment (via Teams)
	Rebecca Taylor	Policy and Governance Program Leader (via Teams)
	Debbie Branson	Executive Support

**Presenters** Cy Balmes and Luke Snowdon - Auditors, KPMG

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### 1. OPENING OF THE MEETING

The Chairperson, Garry Lambert opened the Meeting at 10.06am.

### 2. APOLOGIES AND LEAVE OF ABSENCE

Nil.

### 3. DISCLOSURES OF INTEREST

No disclosures of interest were declared.

## ORDER OF BUSINESS

*Item 4 was relocated to be presented prior to Item 8.1.*

### 5. CONFIRMATION OF MINUTES

Moved: Cr Salter  
Seconded: Cr Sidey

THAT the full minutes of the Risk Management and Audit Committee Meeting held 26 October 2021, 4 pages, be confirmed.

**CARRIED (4/0)**

### 6. BUSINESS ARISING FROM THE MINUTES

Moved: Cr Salter  
Seconded: Cr Sidey

THAT Council receives and notes the Action Sheet.

**CARRIED (4/0)**

### 7. ACCEPTING OR DECLINING LATE ITEMS

Nil.

### 4. PRESENTATIONS

Cy Balmes and Luke Snowdon, auditors for KPMG, conducted private Q&A with RMAC committee without staff in attendance, as per Risk Management Audit Committee Policy.

The Risk Audit and Management Committee received and noted the presentation.

*Staff present left the meeting at 10:12am prior to the presentation and returned at 10:32am.*

## 8. OFFICERS REPORTS

### 8.1 Closing Audit Report 2020-21

*Cr Sidey left the meeting at 10:45am and returned at 10:46am.*

*Cr Sidey left the meeting at 10:48am and returned at 10:50am.*

Moved: Cr Sidey

Seconded: Cr Salter

THAT the Risk Management and Audit Committee:

1. receive and note the closing audit report from KPMG for year ending 30 June 2021;
2. receive Management's responses to audit observations raised by KPMG; and
3. note the Risk Management and Audit Committee's preference to undertake in-camera discussions with the appointed auditors pursuant to FIN09, as soon as practicable, before November each calendar year.

**CARRIED (4/0)**

### 8.2 Internal Audit Plan

*Cr Sidey left the meeting at 11:01am and returned at 11:05am.*

Moved: Cr Salter

Seconded: Cr Sidey

THAT the Risk Management and Audit Committee:

1. note the progress on the internal audits; and
2. support the proposed changes to the internal audit of Council's Reserve Management Arrangements.

**CARRIED (4/0)**

### **8.3 Risk Register**

Moved: Cr Sidey  
Seconded:Cr Salter

THAT the Risk Management and Audit Committee:

1. note the updated risk register;
2. note the completed actions in the risk dashboard of the risk register, which will be removed from the action list and controls to be updated where required;
3. request the CEO to provide an update report on Council's Risk Management Framework, specifically actions taken in waste management and the mobile workforce to the next Risk Management and Audit Committee meeting.

**CARRIED (4/0)**

### **8.4 Records Management Strategy**

Moved: Cr Salter  
Seconded:Cr Sidey

THAT the Risk Management and Audit Committee receive and note the Records Management Strategy.

**CARRIED (4/0)**

### **8.5 Litchfield Council Tree Risk Management Plan - Internal audit of Implementation Progress**

Moved: Cr Sidey  
Seconded:Cr Salter

THAT the Risk Management and Audit Committee:

1. accepts the internal Litchfield Council Tree Risk Management Plan - Internal audit of implementation progress findings;
2. requests that internal audit treatments be included in the risk register; and;
3. notes the need for tree risk management software and hardware.

**CARRIED (4/0)**

## **9. OTHER BUSINESS**

### **9.1 Power Road Procurement and Contract Management**

The matter to be referred to Council.

## 9.2 Long Term Financial Plan

Moved: Chair  
Seconded: Cr Salter

THAT the Risk Management and Audit Committee receive an update on the CT Management Report and the Long Term Financial Plan model at the next meeting.

**CARRIED (3/0)**

*Cr Sidey left the meeting at 11:43am.*

## 10. CONFIDENTIAL ITEMS

Moved: Cr Chair  
Seconded: Cr Salter

Pursuant to Section 93 of the Local Government Act and Regulation 51 of Local Government (General) Regulations the meeting be closed to the public to consider the following Confidential Items:

### 10.1 ERP System Upgrade Regulation

*51(1)(c) – information that would, if publicly disclosed, be likely to:*

*i. cause commercial prejudice to, or confer an unfair commercial advantage on, any person.*

### 10.2 ICT Security Audit and Improvement Plan Update

*51(1)(c) – information that would, if publicly disclosed, be likely to:*

*iii. prejudice the security of the council, it's members or staff.*

**CARRIED (3/0)**

*The meeting was closed to the public at 11:48pm.*

Moved: Chair  
Seconded: Cr Salter

THAT pursuant to Section 93(2) of the Local Government Act 2019 and Regulation 51 of the Local Government (General) Regulations the meeting be re-opened to the public.

**CARRIED (3/0)**

*The meeting moved to Open Session at 12:18am.*



**11. CLOSE OF MEETING**

The Chair closed the meeting at 12:18pm.

**MINUTES TO BE CONFIRMED**

Wednesday, 25 May 2022

.....  
**Chair**  
**Garry Lambert**

unconfirmed

5. Business Arising from the minutes

THAT Council receives and notes the Action Sheet.

Meeting Date	Agenda Item & Resolution	Action Officer	Status
23/02/2022	<p><b>8.3 Risk Register</b></p> <p>THAT the Risk Management Audit Committee:</p> <p>3. request the CEO to provide an update report on Council’s Risk Management Framework, specifically actions taken in waste management and the mobile workforce to the next Risk Management and Audit Committee meeting.</p>	CEO	Requested information provided within this agenda (25 May 2022). Completed.

6. Presentations

7. Accepting or Declining Late Items

8. Officer Reports



## RMAC REPORT

<b>Agenda Item Number:</b>	8.01
<b>Report Title:</b>	KPMG Audit Plan 2022
<b>Author:</b>	Maxie Smith, Manager Corporate Services
<b>Recommending Officer:</b>	Arun Dias, Interim Chief Executive Officer
<b>Meeting Date:</b>	25/05/2022
<b>Attachments:</b>	A: KPMG – Audit Plan 2022

### Executive Summary

This report provides the Risk Management and Audit Committee (RMAC) KPMG's Audit Plan and Strategy for the year ended 30 June 2022.

### Recommendation

THAT RMAC receive and note the KPMG Audit Plan and Strategy for the year ended 30 June 2022.

### Background

KPMG has provided an Audit Plan and Strategy for the year ended 30 June 2022 (Attachment A), which sets out the planned scope and timing of their audit of Litchfield Council for the year ending 30 June 2022.

The report highlights:

- the audit focus areas KPMG have identified based on their understanding of our business and its environment;
- a draft plan of what and when KPMG expect to communicate and complete; and
- other items that KPMG are required to communicate to RMAC as part of their audit.

KPMG is available to discuss the attached report if required.

KPMG completed the interim audit in April.

### Links with Strategic Plan

A Well-Run Council - Good Governance

## Legislative and Policy Implications

Under section 209 of the *Northern Territory Local Government Act 2019* council must appoint an auditor. And at section 211 the auditor must audit the statements.

## Risks



Nil identified.

## Financial Implications

Nil.

## Community Engagement

Not applicable.



# Litchfield Council

Audit plan and strategy for  
the year ending 30 June 2022

07 April 2022

[kpmg.com.au](http://kpmg.com.au)



# Introduction

To the Risk Management & Audit Committee of Litchfield Council

This report sets out the planned scope and timing of our audit of Litchfield Council for the year ending 30 June 2022. It highlights:

- the audit focus areas we've identified based on our understanding of your business and its environment;
- a draft plan of what and when we expect to communicate; and
- other items that we are required to communicate to you as part of our audit.

## Restrictions on distribution

This report is intended solely for the information of those charged with governance of the Council and the report is provided on the basis that it should not be distributed to other parties; that it will not be quoted or referred to, in whole or in part, without our prior written consent; and that we accept no responsibility to any third party in relation to it.





# Audit strategy

Materiality	30 June 2022
<b>Audit Materiality</b>	\$ 440,000
<b>Performance Materiality</b>	\$ 330,000
<b>Misstatement Reporting Threshold</b>	\$ 22,000

**Materiality** represents the level at which we think misstatements will reasonably influence users of the Council's financial statements. It considers both quantitative and qualitative factors. When misstatements of a lesser amount of a specific financial statement item may influence users for qualitative reasons, we use a lower materiality for these items.

To respond to aggregation risk, we design our procedures to detect misstatements at a lower level of materiality.

**Benchmark** used for the materiality calculation is the Total Revenue from the 2021/22 Budget.

**Performance Materiality** is the materiality used at an account balance or class of transaction level to detect individual errors or misstatements. This does not mean we only look at transactions greater than \$330,000. This amount assists us in identifying classes of transactions that are material.

We will report to the Council Representatives and Risk Management and Audit Committee all audit misstatements individually greater than the **reporting threshold**, as well as the aggregate of any audit differences which have not been adjusted by management.

We will update our materiality as necessary throughout the audit.

The type of work for each component and their auditor is as follows.

	Component	Auditor
<b>Full scope audit</b>	Litchfield Council	KPMG Darwin
	Thorak Regional Cemetery*	KPMG Darwin

\* A separate stand alone audit of the Cemetery financial statements will be performed to its own materiality level. We have prepared this plan on the assumption that the Council will still report a separate financial statements for the Cemetery.



<b>Internal controls</b>	<p>Our audit approach will identify and evaluate controls relevant to our audit.</p> <p>We will report significant deficiencies in internal control in writing to those charged with governance and, when appropriate, management. We will report other control deficiencies orally or in writing to management.</p>
<b>Internal audit</b>	<p>We do not plan to use the work of internal audit to modify the nature or timing, or to reduce the extent, of our audit procedures, or to use internal auditors to provide direct assistance.</p>

# Audit focus areas

## Our risk assessment

We set out here those risks that we consider as key to your accounting and our audit, and the significant risks and other audit areas that impact our audit approach. We will report any other areas of audit focus that are key to our approach.

Based on our assessment of the risks of material misstatement in the financial statements, our audit focus areas are as follows.

Significant audit matters		
	Assessed risk	KPMG comment
<p><b>Revenue recognition</b></p> <p><b>Area of focus</b></p> <ul style="list-style-type: none"> <li>Accounting for rates and other charges</li> <li>Revenue recognition applied on grants, subsidies and contributions</li> </ul>		<p><b>Audit risks</b></p> <ul style="list-style-type: none"> <li>Revenue recognition does not comply with Australian Accounting Standards</li> <li>Revenue recognised to achieve a desired outcome.</li> <li>Revenue is recorded in the incorrect period.</li> </ul> <p><b>Planned Response</b></p> <ul style="list-style-type: none"> <li>Review key revenue controls to assess recognition, existence and accuracy of revenue;</li> <li>Review material contracts to assess the consistent application of the Australian Accounting Standards; and</li> <li>Substantive test of detail procedures</li> <li>Revenue completeness testing</li> </ul>
<p><b>Purchases and trade payables</b></p> <p><b>Area of focus</b></p> <ul style="list-style-type: none"> <li>Completeness, accuracy and existence of purchases and trade and other payables; and</li> <li>Relevant controls in place for procurement.</li> </ul>		<p><b>Audit risks</b></p> <ul style="list-style-type: none"> <li>Recorded purchases and trade and other payables are not complete, accurate and existing.</li> </ul> <p><b>Planned Response</b></p> <ul style="list-style-type: none"> <li>Test operating effectiveness of any key controls in place over procurement;</li> <li>Substantive test of detail procedures; and</li> <li>Search for unrecorded liabilities.</li> </ul>

**KPMG risk assessment**



Significant risk due to fraud





Significant risk due to error



Other risks due to error

# Audit focus areas (cont)

Significant audit matters		
	Assessed risk	KPMG comment
<p><b>Property, plant and equipment (PPE)</b></p> <p><b>Area of focus</b></p> <ul style="list-style-type: none"> <li>Valuation methodology adopted by management and any external valuer;</li> <li>Key assumptions relevant to the valuation; and</li> <li>Completeness, accuracy and existence of PPE.</li> </ul>		<p><b>Audit risks</b></p> <ul style="list-style-type: none"> <li>PPE not valued in line with IFRS 13 <i>Fair Value Measurement</i>.</li> <li>Inappropriate assumptions applied in the valuation process.</li> <li>Recorded PPE are not complete, accurate and existing.</li> </ul> <p><b>Planned Response</b></p> <ul style="list-style-type: none"> <li>Review engagement letters with external valuation specialists to note if they are in line with Australian Accounting Standards and assess competency;</li> <li>Review external valuation reports and test key assumptions;</li> <li>Agree valuation reports to the general ledger;</li> <li>Assess completeness of financial statement disclosure;</li> <li>Review post valuation useful life assessment and depreciation recalculation;</li> <li>Engage valuations specialists (as necessary);</li> <li>Review the reconciliation of the fixed asset register and work-in-progress schedule; and</li> <li>Substantive test of detail procedures.</li> </ul>
<p><b>Payroll and other employment benefits</b></p> <p><b>Area of focus</b></p> <ul style="list-style-type: none"> <li>Completeness, accuracy and existence of employee benefits</li> <li>Key estimations and assumptions in determination of Long Service Leave; and</li> <li>Method of provision implemented by management.</li> </ul>		<p><b>Audit risks</b></p> <ul style="list-style-type: none"> <li>Recorded employee benefits are not complete, accurate and existing.</li> <li>Inappropriate assumptions applies in the calculation of employee provision.</li> </ul> <p><b>Planned Response</b></p> <ul style="list-style-type: none"> <li>Test operating effectiveness of any key controls in place over employee commencements, terminations and payroll management.</li> <li>Substantive test of detail procedures.</li> </ul>

**KPMG risk assessment**



Significant risk due to fraud




Significant risk due to error




Other risks due to error


# Audit focus areas (cont)


Significant audit matters		
	Assessed risk	KPMG comment
<p><b>Management override of controls</b></p> <p><b>Area of focus</b></p> <ul style="list-style-type: none"> <li>Manual journals and post-closing adjustments; and</li> <li>Significant transactions outside the normal course of business</li> </ul>		<p><b>Audit risk</b></p> <ul style="list-style-type: none"> <li>Management's unique position and ability to commit fraud by manipulating accounting records or overriding controls that otherwise appear to be operating effectively</li> </ul> <p><b>Planned Response</b></p> <ul style="list-style-type: none"> <li>Identify and test relevant controls over journal entries and post-closing adjustments.</li> <li>Evaluate the appropriateness of the accounting for significant transactions that are outside the component's normal course of business, or are otherwise unusual.</li> </ul>

In addition to the above focus areas, our audit will also incorporate testing of other routine accounts and transactions and ensure disclosures comply with Australian Accounting Standards.

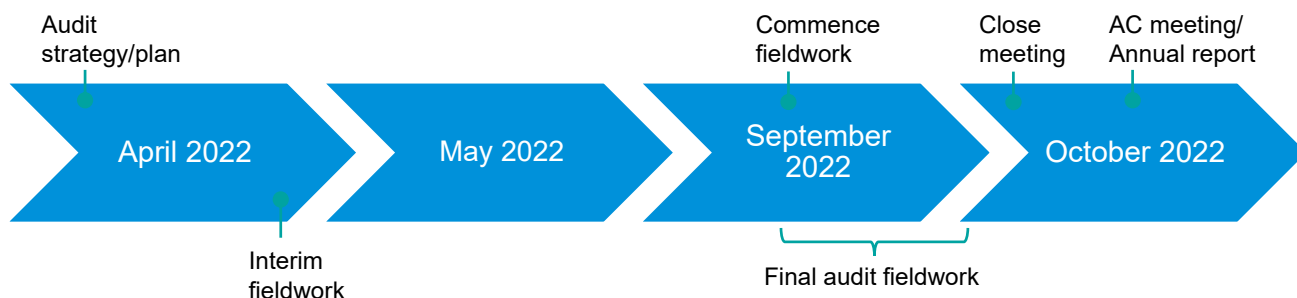
**KPMG risk assessment**

 Significant risk due to fraud

 Significant risk due to error

 Other risks due to error

# Timeline and communication



## Continuous communication by engagement team throughout audit

Meeting	Deliverable	Purpose	Meeting participants	Timing
<b>Kick-off meeting with management and audit committee</b>	Draft audit plan	<ul style="list-style-type: none"> <li>Outline planned scope and timing of the audit</li> <li>Communicate materiality and work to be performed on components</li> <li>Confirm plan with management and audit committee</li> </ul>	<ul style="list-style-type: none"> <li>Finance team</li> <li>Risk Management and Audit Committee</li> <li>Audit engagement team</li> </ul>	April 2022
<b>Status meetings with management</b>	Audit updates	<ul style="list-style-type: none"> <li>Evaluate how both KPMG and the Council are progressing with the audit plan</li> <li>Communicate audit misstatements and control deficiencies (if any) early, and make requests related to additional audit procedures (if necessary)</li> <li>Discuss significant accounting and audit issues and changes to our risk assessment and audit plan</li> <li>Discuss potential enhancements to the Council financial statement disclosures</li> </ul>	<ul style="list-style-type: none"> <li>Finance team</li> <li>Audit engagement team</li> </ul>	May 2022 and September to October 2022
<b>Closing meeting with management</b>	Draft audit committee report and auditor's report	<ul style="list-style-type: none"> <li>Discuss communications in draft audit committee report and draft enhanced auditor's report</li> <li>Agree on timeline to complete any outstanding audit deliverables</li> <li>Discuss KPMG's findings related to audit focus areas and any key accounting judgements</li> </ul>	<ul style="list-style-type: none"> <li>Finance team</li> <li>Audit engagement team</li> </ul>	October 2022
<b>Audit committee meeting</b>	Risk Management and Audit committee report	<ul style="list-style-type: none"> <li>Discuss any significant changes to KPMG's audit plan and KPMG's findings relating to audit focus areas and any key accounting judgements</li> <li>Communicate audit misstatements</li> <li>Communicate significant control deficiencies</li> <li>Communicate requested written representations</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management and Audit Committee</li> <li>Audit engagement team</li> </ul>	October 2022
	Auditor's report	<ul style="list-style-type: none"> <li>Auditor's report on Litchfield Council's financial statements</li> </ul>		October 2022

# Mandatory communications

The matters listed in the table below are those matters that we are required to communicate to the Risk Management and Audit Committee.

<b>Management’s responsibilities (and, where appropriate, those charged with governance)</b>	<p>Prepare financial statements in accordance with the applicable financial reporting framework that are free from material misstatement, whether due to fraud or error.</p> <p>Provide the auditor with access to all information relevant to the preparation of the financial statements, additional information requested and unrestricted access to persons within the entity.</p>
<b>Auditor’s responsibilities</b>	<p>Forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.</p>
<b>Auditor’s responsibilities – Fraud</b>	<p>Design and implement appropriate responses to identify, assess and obtain sufficient appropriate evidence regarding the risks of material misstatement of the financial statements due to fraud and to respond appropriately to fraud or suspected fraud identified during the audit.</p>
<b>Auditor’s responsibilities – Other information</b>	<p>Obtain, read and consider whether there is a material inconsistency between the other information and (1) financial statements and (2) auditor’s knowledge obtained in the audit.</p> <p>Respond appropriately when material inconsistencies appear to exist, or when other information appears to be materiality misstated.</p> <p>Report on other information in the auditor’s report.</p>
<b>Independence</b>	<p>Communicate in writing:</p> <ul style="list-style-type: none"> <li>– any relationships (including provision of non-audit services) that bear on our audit independence;</li> <li>– threats to our independence that any relationships create; and</li> <li>– safeguards applied to address those threats.</li> </ul>



# Appendices

<b>Contents</b>	<b>Page</b>
Our fees	9
Innovation in our audit – KPMG Clara	10
Data and analytics	11
Our engagement team	12

# Our fees

We are committed to delivering a quality audit for a fee that is fair, transparent and competitive. Our transparent fee reflects a quality audit, delivered by a team with relevant experience.

The fees agreed through the audit tender process:

Financial Year Audits	2021	2022	2023
Audit of the general purpose financial statements	\$32,500	<b>\$33,000</b>	\$33,500
Audit of the special purpose financial statements	\$6,500	<b>\$6,750</b>	\$7,000
Audit of grant acquittal	\$1,000	<b>\$1,000</b>	\$1,000
Technology and administration fee	\$1,400	<b>\$1,426</b>	\$1,452
Total exclusive of GST	\$41,400	<b>\$42,176</b>	\$42,952
Total inclusive of GST	\$45,540	<b>\$46,394</b>	\$47,247

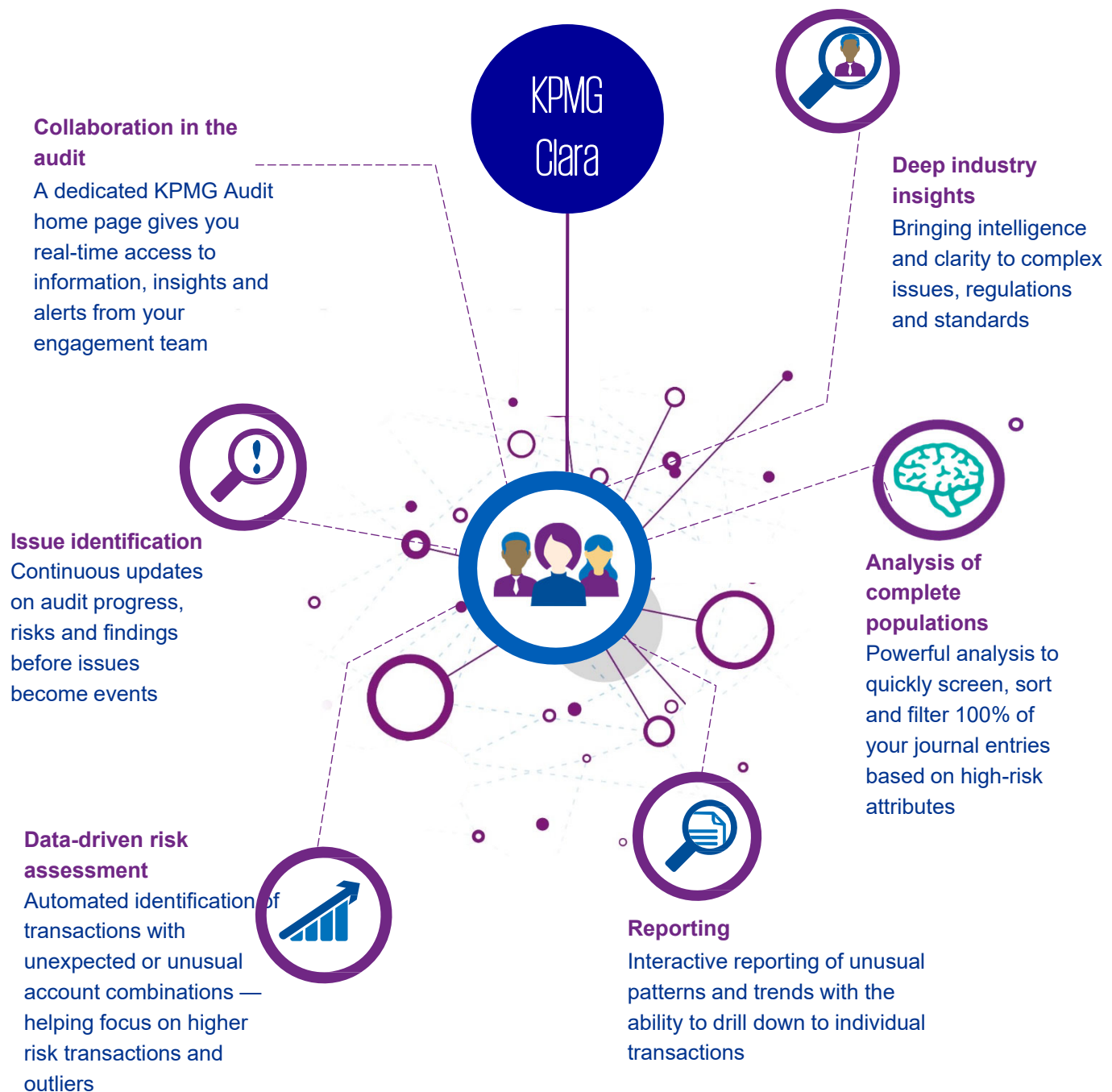


# Innovation in our audit - KPMG Clara

To deliver a quality audit, not only do we need to understand your business and risks, we also need to implement market-leading technology.

Technology is at the core of our audit, assisting our risk assessment, delivering powerful data & analytics and collaborating with you during our audit.

KPMG Clara is our global audit platform through which we plan, execute and manage the audit. Our new smart audit platform will be fully implemented by December 2022.



# Data and analytics

By allowing us to analyse large volumes of financial information, D&A enhances our understanding of your business, enabling us to design procedures that better target risks and provide you with valuable additional insight about your business.

## Key benefits



KPMG's D&A Capabilities enhance our ability to focus audit effort on areas of greatest risk and outliers.

We do this through:





**Data-driven risk assessment:** Automated identification of transactions with unexpected or unusual account combinations – helping focus on higher risk transactions and outliers.

**Analysis of complete populations:** KPMG Clara enables us to analyse 100% of certain data populations, providing more extensive audit evidence compared to the traditional sample approach.

**Reviewing 100% of journal entries:** KPMG's teams apply powerful analysis to quickly screen, sort, filter and visualize the complete population of journal entries based on high-risk attributes.

**Automation:** Automation of non-judgmental work lets your audit team focus on the higher risk areas of the audit.

# Our engagement team

	<u>Name and contact details</u>	<u>Years of experience</u>
	<b>Luke Snowdon</b> <b>Engagement Partner</b> +61 8 8236 3255 lsnowdon@kpmg.com.au	22+
	<b>Cy Balmes</b> <b>Engagement Manager</b> +61 8 8982 9060 cbalmes@kpmg.com.au	10+
	<b>Baraka Futta</b> <b>Engagement In-charge</b> +61 8 8982 9071 bfutta1@kpmg.com.au	8+
	<b>Aldo Handoyo</b> <b>Accountant</b> +61 8 8982 9026 rhandoyo@kpmg.com.au	4+
	<b>Total experience (years)</b>	44+



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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## RMAC REPORT

<b>Agenda Item Number:</b>	8.02
<b>Report Title:</b>	Long Term Financial Plan Software
<b>Author:</b>	Maxie Smith, Manager Corporate Services
<b>Recommending Officer:</b>	Arun Dias, Interim Chief Executive Officer
<b>Meeting Date:</b>	25/05/2022
<b>Attachments:</b>	Nil

### Executive Summary

This report provides the Risk Management and Audit Committee (RMAC) with an update on the use of CT Management Group Long Term Financial Plan software.

### Recommendation

THAT the Risk Management and Audit Committee receive and note this report.

### Background

Early in the financial year, the need for new Long Term Financial Plan software was identified.

Council investigated several options and subsequently purchased CT Management Group Long Term Financial Plan software.

Council has utilised this software to complete the Long Term Financial Plan for 2022-23 to 2031-32 (LTFP). This software has enabled better structure and detail, including modelling, to be included in the LTFP with the checks and balances included ensuring a balanced LTFP. The use of this software reduces the risk of publishing an inaccurate LTFP.

### Links with Strategic Plan

A Well-Run Council - Good Governance

## Legislative and Policy Implications

The *Local Government Act 2019* section 200 relates requirements for councils LTFP.

## Risks



### Financial

Inaccuracies in the LTFP carry a moderate financial risk due to the potential long-term implication of decisions made based on inaccurate information.

### Governance

Inaccuracies in the LTFP carry a moderate governance risk due to the potential long-term implication of decisions made based on inaccurate information.

## Financial Implications

Nil.

## Community Engagement

Not applicable.



## RMAC REPORT

<b>Agenda Item Number:</b>	8.03
<b>Report Title:</b>	Internal Audits and Risk Management Framework
<b>Author:</b>	Rebecca Taylor, Policy & Governance Program Leader
<b>Recommending Officer:</b>	Arun Dias, Interim Chief Executive Officer
<b>Meeting Date:</b>	25/05/2022
<b>Attachments:</b>	Attachment A – Risk Management Framework Attachment B – Waste Transfer Station WHS Audit

### Executive Summary

The purpose of this report is to provide an update to RMAC on the progress of the internal audit and to provide information in relation to actions taken in Mobile Workforce and Waste Management.

### Recommendation

THAT RMAC

1. support the proposed changes to the internal audit of Council's Road Inspection Regime; and
2. receive and note the Risk Management Framework, at Attachment A; and
3. receive and note the Waste Transfer Station WHS 2018 Audit at Attachment B.

### Background

Below is an update on the current audit for the 2021-22 financial year.

#### Council's Road Inspection Regime

Since the February RMAC meeting, Council has been impacted by staff absentees resulting from COVID-19 and a higher than average vacancy rate. This has resulted in no progress with the Council's Road Inspection Regime audit. Further to this, given that the Infrastructure and Assets team are experiencing staff shortages, it is proposed that the audit be conducted by an external consultant in the coming financial year (2022-23). This will ensure that staff with the relevant expertise are available to assist and facilitate such an audit.

At the previous RMAC meeting in February, it was requested that a report on Council's Risk Management Framework and any actions taken in waste management and the mobile workforce be presented. The current Risk Management Framework, at Attachment A, was developed in 2018 by JLT Risk Consulting. The framework sets out the Council's approach to the identification, assessment, management, reporting and monitoring of risks.

The framework is currently under review, as per updated standards and changes in internal processes. The review will ensure the framework is in line with Council current practice.

Below are previous audits that were conducted within the Waste Transfer Station and Mobile Workforce. Internal audits inform Council's Risk Register and are conducted in accordance with Council's internal audit plan and Risk Management Framework.

Waste Transfer Stations WHS Audit – 2018 (Attachment B – Waste Transfer Station WHS Audit)

In 2018 a WHS audit was carried out at all three waste transfer stations by Latitude 12. The audit focused on the following areas;

- Hazardous and Risks associated with Waste transfer Stations.
- Policy and Procedures – Meeting Legislative requirements and Duties of Care.
- Hazard Identification and Risk Management & Mitigation Activities
- Emergency Management
- Incident Management
- Hazardous Substances Management
- Communications/Consultations
- Fitness for Work Activities – Policy and Procedures.

As a result of the audit, the following recommendations were provided;

1. Development and implementation of a full WH&S Management System to meet the Northern Territory WH&S Act and Regulations and Council requirements including:
  - Updating of existing policies and procedures to meet NT WH&S Act and Regulations and benchmarked against AS/NZS 4801
  - Development and implementation of new Policies and procedures – WH&S Risk and Hazard Management, Fitness for Work, Return to Work, Training and Competency, Hazardous Substances, Work Permits, WH&S Performance, Measurement and Monitoring, WH&S Communications.
  - Develop/update contractor management policy and procedures.
  - Complete a review of all current contractor WH&S documentation and activities, develop site audit documentation, review induction of contractors, schedule audits of contractor sites.
  - Introduce a consistent format for all WH&S documentation.
  - Council to agree on a risk matrix for use in all documents.
  - Development and implementation of Risk Management and Assessment Tools,
  - Schedule of communications and meetings.
  - Development and implementation of Risk Assessments, safe operating procedures for all plant, equipment and processes.
  - Development, implementation and maintenance of proposed registers (Core Risks, Actions, Incidents, hazardous Substances).
  - Set new format for WH&S Meeting – to include incident reviews, action register review and training programs, to provide feedback to employees.
  - Develop monthly safety alerts on relevant WH&S and Council issues.
  - Complete a full review/Audit of the WH&S Management System Annually.



2. Benchmark this system on AS/NZS4801 which will then meet Northern Territory WH&S Legislative requirements, whilst also allowing the Council the ability to measure and monitor their progress and current WH&S status against a recognised standard.
3. Address the issues identified in the attached inspection report, prepare an action plan, assign responsibilities and set about completing the actions in a timely manner.
4. Provide resources for an ongoing service to manage WH&S going forward including maintenance of registers, accident/incident data reviews, incident management and WH&S training.

The recommendations resulted in 36 actions. Of these actions 12 are complete and 24 are ongoing.

#### Mobile Workforce WHS Audit

At the March 2020 RMAC meeting it was approved that the Mobile Workforce WHS audit, scheduled for the 2019/20 financial year, be expanded to be a full audit of Councils overall Work Health and Safety Management Systems. The audit resulted in the development of the overarching WHS Management Plan 2019, which is scheduled to be audited in 2022/23 in accordance with the internal audit plan.

The audit will assess the level of implementation and effectiveness of the WHS Management Plan, including Mobile Workforce and the Waste Transfer Stations. RMAC can expect to see further information in relation to the audit at the August 2022 RMAC meeting.

#### **Links with Strategic Plan**

A Well-Run Council - Good Governance

#### **Legislative and Policy Implications**

This item is consistent with FIN08 Risk Management and FIN09 Risk Management and Audit Committee.

#### **Risks**



Nil identified.

### Financial Implications

There will now be a consultant's fee for the Roads Inspection Regime. There budget allowances for internal audits.

### Community Engagement

N/A

# RISK MANAGEMENT GOVERNANCE FRAMEWORK

RISK MANGEMENT POLICY  
RISK MANAGEMENT PROCEDURES

Prepared by JLT Risk Consulting for:

LITCHFIELD COUNCIL

Last Updated: January 2018

Version: 0.1

# TABLE OF CONTENTS

- Introduction .....2
- Risk Management Policy .....3
- Risk Management Procedures .....4
  - Governance.....4
  - Risk & Control Management .....8
  - Reporting Requirements .....11
  - Key Indicators .....12
  - Risk Acceptance .....13
  - Annual Assurance Plan.....13
- Appendix A– FIN08 Risk Management .....1
- Appendix B– Risk Assessment and Acceptance Criteria .....1
- Appendix C – Risk Profile Template.....1
- Appendix D – Risk Theme Definitions .....2

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# INTRODUCTION

The Policy and Procedures form the Risk Management Framework for Litchfield Council (the “Council”). It sets out the Councils approach to the identification, assessment, management, reporting and monitoring of risks. All components of this document are based on AS/NZS ISO 31000:2009 Risk Management.

It is essential that all areas of Council adopt these procedures to ensure:

- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Planning and reporting requirements are met.
- Uncertainty and its effects on objectives are understood.

This Framework aims to balance a documented, structured and systematic process with the current size and complexity of Council along with existing time, resource and workload pressures.

Further information or guidance on risk management procedures is available from JLT.

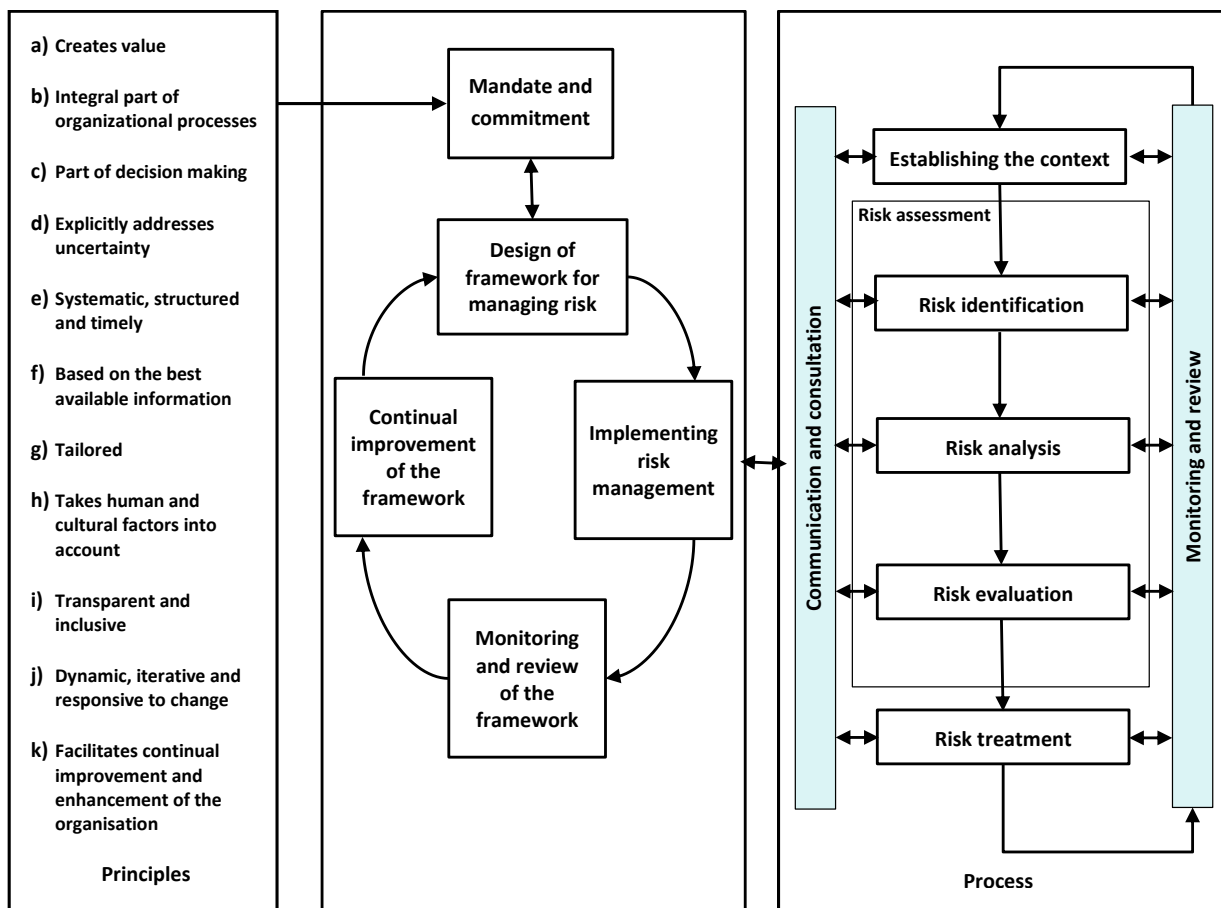


Figure 1: Risk Management Process (Source: AS/NZS 31000:2009)

## RISK MANAGEMENT POLICY

Risk Management is an important part of Litchfield Council's corporate governance and covers areas such as strategic management, internal controls, business development, project management, finance, etc. It comprises procedures to mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded, legislation and council policies/rulings are complied with and financial reporting is accurate and reliable. Effective risk management in Council operations is critical in achieving its goals and objectives.

Council's risk management policy (Appendix – A FIN08 Risk Management) is based on the principles of:

- Managing risks relating to the stewardship of public resources requires effective internal controls.
- Council requires a framework for an effective risk management system which conveys to managers that they are responsible for ensuring that risks are identified, controls are established, documented, maintained and adhered to across the council and to all employees that they are responsible for adhering to those controls.
- Council must ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Council objectives through operational efficiency.

Council has a Risk Management and Audit Committee governed by terms of reference set out in FIN09 Risk Management and Audit Committee Policy.

# RISK MANAGEMENT PROCEDURES

## Governance

Appropriate governance of risk management within Litchfield Council (the “Council”) provides:

- Transparency of decision making.
- Clear identification of the roles and responsibilities of the risk management functions.
- An effective Governance Structure to support the risk framework.

## Framework Review

The Risk Management Framework is to be reviewed for appropriateness and effectiveness once every term of Council.

## Operating Model

The Council supports a “Three Lines of Defence” model for the management of risk. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework the Council, Management and Community will have assurance that risks are managed effectively to support the delivery of the Strategic, Corporate & Operational Plans.

### First Line of Defence

All operational areas of Council are considered ‘1<sup>st</sup> Line’. They are responsible for ensuring that risks (within their scope of operations) are identified, assessed, managed, monitored and reported. Ultimately, they bear ownership and responsibility for losses or opportunities from the realisation of risk. Associated responsibilities include;

- Establishing and implementing appropriate processes and controls for the management of risk (in line with these procedures).
- Undertaking adequate analysis (data capture) to support decisions on risk matters.
- Prepare risk acceptance proposals where necessary, based on level of residual risk.
- Retain primary accountability for the ongoing management of their risk and control environment.

### Second Line of Defence

The Risk Framework Owner (RFO) acts as the primary ‘2<sup>nd</sup> Line’. This position owns and manages the framework for risk management. They draft and implement the governance procedures and provide the necessary tools and training to support the 1st line process.

Maintaining oversight on the application of the framework provides a transparent view and level of assurance to the 1<sup>st</sup> & 3<sup>rd</sup> lines on the risk and control environment. Support can be provided by additional oversight functions completed by other 1<sup>st</sup> Line Teams (where applicable). Additional responsibilities include:

- Providing independent oversight of risk matters as required.
- Monitoring and reporting on emerging risks.
- Coordinating Councils risk reporting for the CEO & Management Team and the Audit & Risk Committee.

### Third Line of Defence

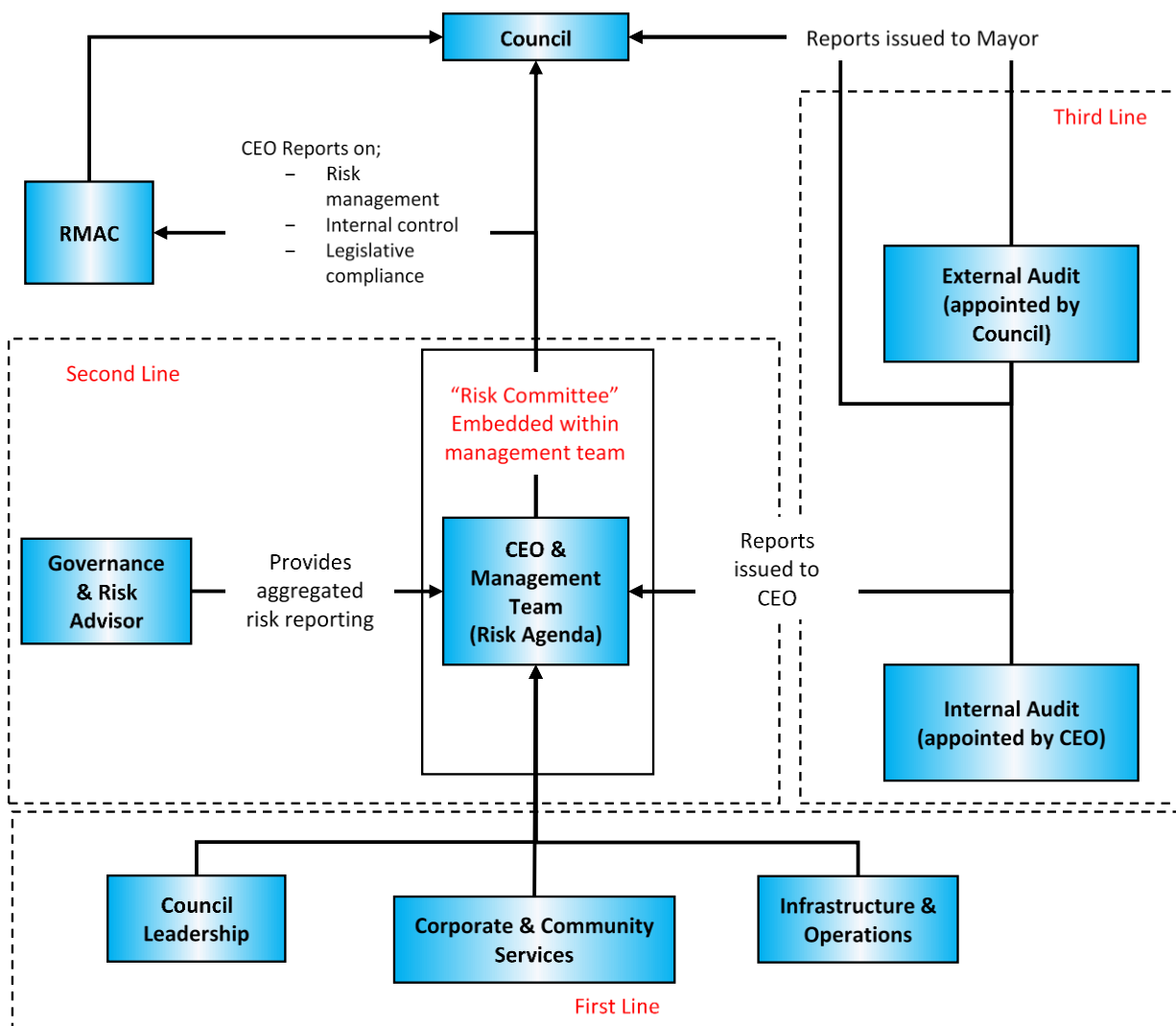
Internal & External Audit are the third line of defence, providing independent assurance to the Council, Risk Management and Audit Committee and Management on the effectiveness of business operations and oversight frameworks (1<sup>st</sup> & 2<sup>nd</sup> Line).

Internal Audit – Appointed by the CEO to report on the adequacy and effectiveness of internal control processes and procedures. The scope of which would be determined by the CEO with input from the Risk Management and Audit Committee.

External Audit – Appointed by the Council on the recommendation of the Risk Management and Audit Committee to report independently to the Mayor and CEO on the annual financial statements.

### **Governance Structure**

The following diagram depicts the current operating structure for risk management within Council.





## **Roles & Responsibilities**

### **Council**

- Review and approve the Councils Risk Management Policy and Risk Assessment & Acceptance Criteria.
- Appoint / Engage External Auditors to report on financial statements annually.
- Establish and maintain a Risk Management and Audit Committee.

### **Risk Management and Audit Committee**

- Support Council to provide effective financial management, good corporate governance, foster ethical environment and maintain a system of internal controls and risk management.
- Oversight of all matters that relate to the conduct of Internal and External Audits.
- Oversight of Councils whistle blowing policy
- Must be independent, objective and autonomous in deliberations.
- Make recommendations to Council on External Auditor appointments.

### **CEO / Management Team**

- Liaise with Council in relation to risk acceptance requirements.
- Approve and review the appropriateness and effectiveness of the Risk Management Framework.
- Drive consistent embedding of a risk management culture.
- Analyse and discuss emerging risks, issues and trends.
- Document decisions and actions arising from 'risk matters'.
- Appoint Internal Auditors as required.
- Own and manage the Risk Profiles at Council Level.

### **Risk Framework Owner (RFO)**

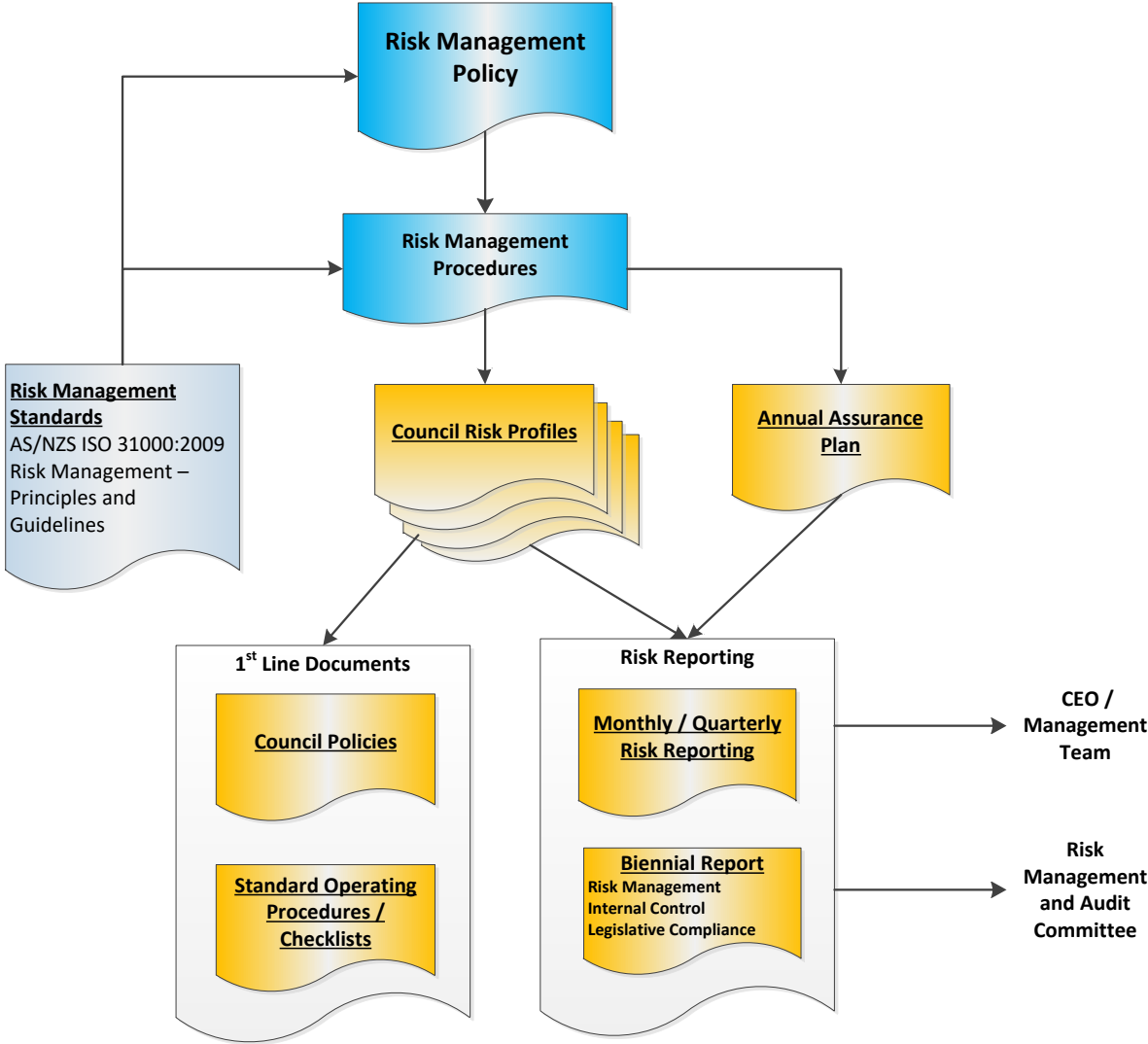
- Oversee and facilitate the Risk Management Framework.
- Support risk reporting requirements.

### **Work Areas**

- Drive risk management culture within work areas.
- Own, manage and report on specific risk issues as required.
- Assist in the Risk & Control Management process as required.
- Highlight any emerging risks or issues accordingly.
- Incorporate 'Risk Management' into Management Meetings, by incorporating the following agenda items;
  - New or emerging risks.
  - Review existing risks.
  - Control adequacy.
  - Outstanding issues and actions.

**Document Structure**

The following diagram depicts the relationship between the Risk Management Policy, Procedures and supporting documentation and reports.



## **Risk & Control Management**

All Work Areas of the Council are required to assess and manage the Risk Profiles on an ongoing basis.

Each Manager, in conjunction with the Risk Framework Owner (RFO) are accountable for ensuring that Risk Profiles are:

- Reflective of the material risk landscape of the Council.
- Reviewed on at least a six monthly basis, unless there has been a material restructure or change in the risk and control environment.
- Maintained in the standard format.

This process is supported by the use of key data inputs, workshops and ongoing business engagement.

### **Risk & Control Assessment**

To ensure alignment with ISO 31000:2009 Risk Management, the following approach is to be adopted from a Risk & Control Assessment perspective.

#### **Establishing the Context**

The first step in the risk management process is to understand the context within which the risks are to be assessed and what is being assessed, this forms two elements:

##### **Organisational Context**

The Council's Risk Management Procedures provides the basic information and guidance regarding the organisational context to conduct a risk assessment; this includes Risk Assessment and Acceptance Criteria (Appendix B) and any other tolerance tables as developed. In addition, existing Risk Themes are to be utilised (Appendix D) where possible to assist in the categorisation of related risks.

Any changes or additions to the Risk Themes must be approved by the Risk Framework Owner (RFO) and CEO.

All risk assessments are to utilise these documents to allow consistent and comparable risk information to be developed and considered within planning and decision making processes.

##### **Specific Risk Assessment Context**

To direct the identification of risks, the specific risk assessment context is to be determined prior to and used within the risk assessment process. For risk assessment purposes the Council has been divided into three levels of risk assessment context:

#### **Strategic Context**

The Council's external environment and high-level direction. Inputs to establishing the strategic risk assessment context may include;

- Organisations Vision / Mission
- Stakeholder Analysis
- Environment Scan / SWOT Analysis
- Existing Strategies / Objectives / Goals

### Operational Context

The Council's day to day activities, functions, infrastructure and services. Prior to identifying operational risks, the operational area should identify its Key Activities i.e. what is trying to be achieved. Note: these may already be documented in business plans, budgets etc.

### Project Context

Project Risk has two main components:

- **Risk in Projects** refers to the risks that may arise as a result of project activity (i.e. impacting on process, resources or IT systems) which may prevent the Council from meeting its objectives
- **Project Risk** refers to the risks which threaten the delivery of project outcomes.

In addition to understanding what is to be assessed, it is also important to understand who are the key stakeholders or areas of expertise that may need to be included within the risk assessment.

### Risk Identification

Using the specific risk assessment context as the foundation and in conjunction with relevant stakeholders, answer the following questions, capture and review the information within each Risk Profile.

- What can go wrong? / What are areas of uncertainty? (Risk Description)
- How may this risk eventuate? (Potential Causes)
- What are the current measurable activities that mitigate this risk from eventuating? (Controls)
- What are the potential consequential outcomes of the risk eventuating?

### Risk Analysis

To analyse the risks the Council's Risk Assessment and Acceptance Criteria (Appendix B) is applied:

- Based on the documented controls, analyse the risk in terms of Existing Control Ratings
- Determine relevant consequence categories and rate how bad it could be if the risk eventuated with existing controls in place (Consequence)
- Determine how likely it is that the risk will eventuate to the determined level of consequence with existing controls in place (Likelihood)
- By combining the measures of consequence and likelihood, determine the risk rating (Level of Risk)

### Risk Evaluation

The Council is to verify the risk analysis and make a risk acceptance decision based on:

- Controls Assurance (i.e. are the existing controls in use, effective, documented, up to date and relevant)
- Existing Control Rating
- Level of Risk
- Risk Acceptance Criteria (Appendix B)
- Risk versus Reward / Opportunity

The risk acceptance decision needs to be documented and those risks that are acceptable are then subject to the monitor and review process.

Note: Individual Risks or Issues may need to be escalated due to its urgency, level of risk or systemic nature.

## **Risk Treatment**

For unacceptable risks, determine treatment options that may improve existing controls and/or reduce consequence / likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk with the treatment selection and implementation to be based on;

- Cost versus benefit
- Ease of implementation
- Alignment to organisational values / objectives

Once a treatment has been fully implemented, the Risk Framework Owner (RFO) is to review the risk information and acceptance decision with the treatment now noted as a control and those risks that are acceptable then become subject to the monitor and review process (Refer to Risk Acceptance section).

## **Monitoring & Review**

The Council is to review all Risk Profiles at least on a six monthly basis or if triggered by one of the following;

- changes to context,
- a treatment is implemented,
- an incident occurs or due to audit/regulator findings.

The Risk Framework Owner (RFO) is to monitor the status of risk treatment implementation and report on, if required.

The CEO & Management Team will monitor significant risks and treatment implementation as part of their normal agenda item on a quarterly basis with specific attention given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme
- Risks with Inadequate Existing Control Rating
- Risks with Consequence Rating of Catastrophic
- Risks with Likelihood Rating of Almost Certain

The design and focus of Risk Summary report will be determined from time to time on the direction of the CEO & Management Team. They will also monitor the effectiveness of the Risk Management Framework ensuring it is practical and appropriate to the Council.

## **Communication & Consultation**

Throughout the risk management process, stakeholders will be identified, and where relevant, be involved in or informed of outputs from the risk management process.

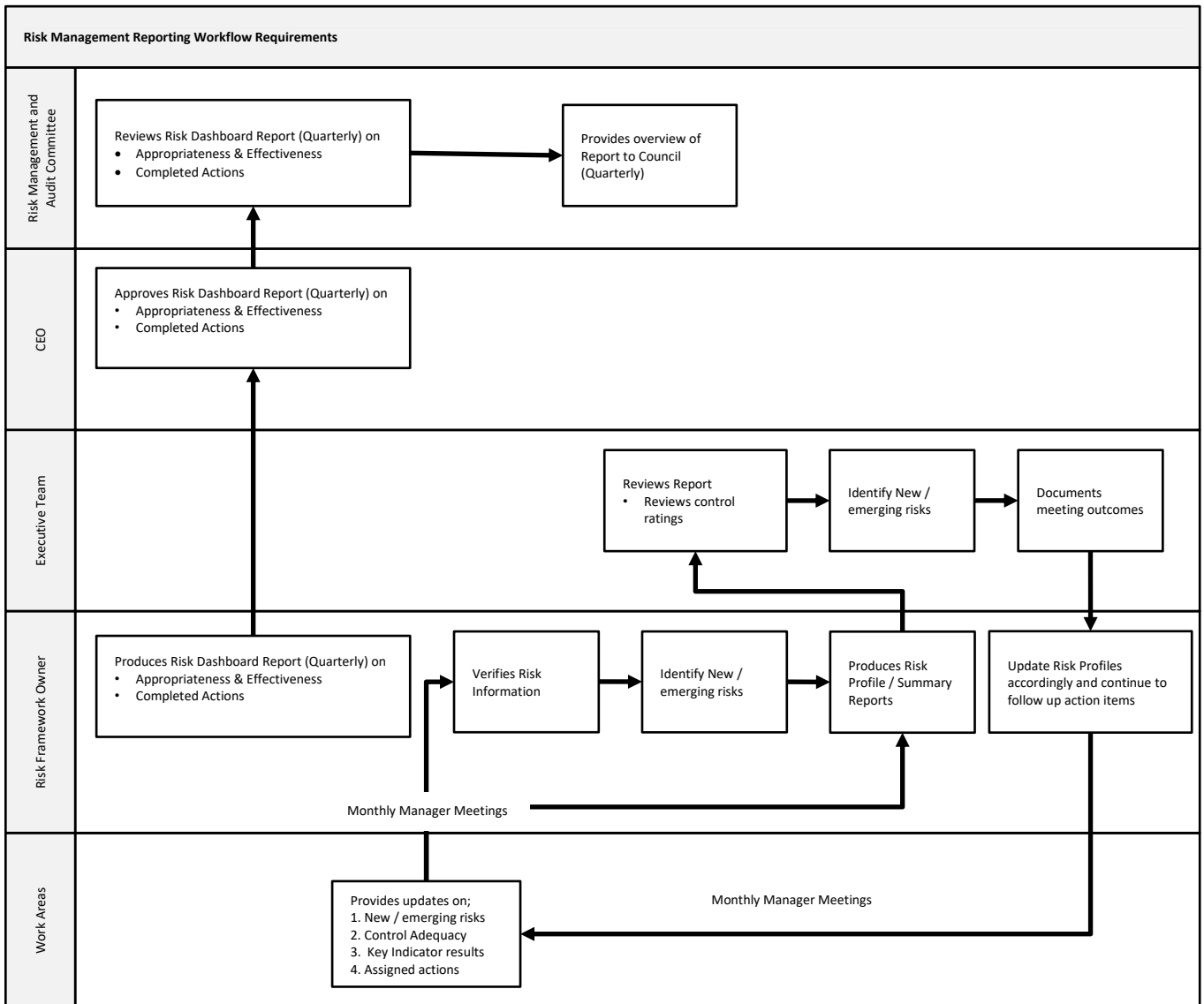
Risk management awareness and training will be provided to identified staff.

Risk management will be included within the employee induction process to ensure new employees are introduced to the Council's risk management culture.

## Reporting Requirements

### Coverage & Frequency

The following diagram provides a high level view of the ongoing reporting process for Risk Management.



Each Work Area is responsible for ensuring:

- They continually provide updates in relation to new, emerging risks, control effectiveness and key indicator performance to the Risk Framework Owner (RFO).
- Work through assigned actions and provide relevant updates to the Risk Framework Owner (RFO).
- Risks / Issues reported to the CEO and Management Team are reflective of the current risk and control environment.

The Risk Framework Owner (RFO) is responsible for:

- Ensuring Council Risk Profiles are formally reviewed and updated, at least on a six monthly basis or when there has been a material restructure, change in risk ownership or change in the external environment.
- Risk Reporting for the CEO and Management Team – Contains an overview of the Risk Summary for Council.

## Key Indicators

Key Indicators (KI's) may be used for monitoring and validating key risks and controls. The following describes the process for the creation and reporting of KIs:

- Identification
- Validity of Source
- Tolerances
- Monitor & Review

### Identification

The following represent the minimum standards when identifying appropriate KI's key risks and controls:

- The risk description and casual factors are fully understood
- The KI is fully relevant to the risk or control
- Predictive KI's are adopted wherever possible
- KI's provide adequate coverage over monitoring key risks and controls

### Validity of Source

In all cases an assessment of the data quality, integrity and frequency must be completed to ensure that the KI data is relevant to the risk or Control.

Where possible the source of the data (data owner) should be independent to the risk owner. Overlapping KI's can be used to provide a level of assurance on data integrity.

If the data or source changes during the life of the KI, the data is required to be revalidated to ensure reporting of the KI against a consistent baseline.

### Tolerances

Tolerances are set based on the Council's Risk Appetite. They are set and agreed over three levels:

- Green – within appetite; no action required.
- Amber – the KI must be closely monitored and relevant actions set and implemented to bring the measure back within the green tolerance.
- Red – outside risk appetite; the KI must be escalated to the CEO & Management Team where appropriate management actions are to be set and implemented to bring the measure back within appetite.

### Monitor & Review

All active KI's are updated as per their stated frequency of the data source.

When monitoring and reviewing KI's, the overall trend must be considered over a longer timeframe instead of individual data movements. The trend of the KI is specifically used as an input to the risk and control assessment.

## Risk Acceptance

Day to day operational management decisions are generally managed under the delegated authority framework of the Council.

Risk Acceptance is a management decision to accept, within authority levels, material risks which will remain outside appetite framework (refer Appendix B – Risk Assessment & Acceptance Criteria) for an extended period of time (generally 3 months or longer).

The following process is designed to provide a framework for those identified risks.

The 'Risk Acceptance' decision should document and cover:

- A description of the risk.
- An assessment of the risk (eg. Impact consequence, materiality, likelihood, working assumptions etc)
- Details of any mitigating action plans or treatment options in place
- An estimate of the expected remediation date.

A lack of budget / funding to remediate a material risk outside appetite is not sufficient justification in itself to accept a risk.

Accepted risks must be continually reviewed through standard operating reporting structure (ie. Management Team)

## Annual Assurance Plan

The annual assurance plan is a monitoring schedule prepared by the Risk Framework Owner (RFO) that sets out the control assurance activities to be conducted over the next 12 months. This plan may include the following components.

- Existing control adequacy ratings across the Councils Risk Profiles.
- Consider control coverage across a range of risk themes (where commonality exists).
- Building profiles around material controls to assist in design and operating effectiveness reviews.
- Consideration to significant incidents.
- Nature of operations
- Additional or existing 2<sup>nd</sup> line assurance information / reviews (eg. HR, Financial Services, IT)
- Frequency of monitoring / checks being performed
- Review and development of Key Indicators
- Timetable for assurance activities
- Reporting requirements

Whilst this document and subsequent actions are owned by the Risk Framework Owner (RFO), input and consultation will be sought from individual Work Areas



# APPENDIX A– FIN08 RISK MANAGEMENT

## Risk Management **POLICY FIN08**



Name	FIN08 Risk Management
Policy Type	Council
Responsible Officer	Chief Executive Officer
Approval Date	20/05/2020
Review Date	19/05/2024

### 1. Purpose

Risk Management is an important part of Litchfield Council’s corporate governance and covers areas such as strategic management, internal controls, business development, project management, finance, etc. It comprises procedures to mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded, legislation and council policies/rulings are complied with and financial reporting is accurate and reliable. Effective risk management in Council operations is critical in achieving its goals and objectives.

### 2. Scope

This policy applies to all Council officers and Elected Members.

### 3. Definitions

For the purposes of this Policy, the following definitions apply:

Risk	The effect of uncertainty on objectives.
Risk Management	A coordinated set of activities and methods that is used to direct an organisation and to control the many risks that can affect its ability to achieve objectives.

### 4. Policy Statement

Council is committed to maintaining an effective risk management environment. This policy is based on the following principles:

- Managing risks relating to the stewardship of public resources requires effective internal controls.
- Council requires a framework for an effective risk management system which conveys to managers that they are responsible for ensuring that risks are identified, controls are established, documented, maintained and adhered to across the council and to all employees that they are responsible for adhering to those controls.
- Council must ensure the propriety of transactions, information integrity, compliance with regulations and achievement of Council objectives through operational efficiency

#### **4.1. The Risk Management Process**

The process followed by Council in developing the framework shall be based on Australian/New Zealand Standard AS/NZS ISO 31000:2009.

- 4.1.1. Establish Goals & Context – Effective risk management requires a thorough understanding of the goals and context of Council to assist in establishing the assessment criteria for risk management.
- 4.1.2. Identify Risks – Identify the risks most likely to impact on the achievement of Council’s objectives.
- 4.1.3. Analyse Risks – Assess effectiveness of risks in terms of likelihood and consequence to identify the current risk level.
- 4.1.4. Evaluate Risks – Determine whether the risks are acceptable or unacceptable and document findings.
- 4.1.5. Treat Risks – Treat risks by one of the following methods - discontinuing activity that generates it, reducing likelihood of occurrence, reducing consequence of occurrence, transfer the risk or retain the risk.
- 4.1.6. Consultation/Communication – These are important elements to ensure that all stakeholders understand why actions are required. These stakeholders include all staff and elected members.
- 4.1.7. Monitor/Review – Responsible officers must be identified for each internal control and provide feedback to managers on progress with controls. The Managers monitor the effectiveness of risk treatments and report progress to the Senior Management Team and the Audit Committee at regular intervals.

#### **4.2. Risk Management Approach**

- 4.2.1 Council will maintain an internal control framework, which will be based upon a proactive risk management culture.
- 4.2.2 The types of risks identified in the framework will be those which may prevent council from meeting its objectives or not maximising its opportunities.
- 4.2.3 It is recognised that all risks cannot be eliminated, however the internal controls applied should reduce the likelihood of the risk occurring to within acceptable limits of risk.
- 4.2.4 Council will develop a culture that emphasises integrity, ethical values and competence.

#### **4.3. Roles and Responsibilities**

- 4.3.1 The Chief Executive Officer is responsible for establishing Internal Controls and associated framework, which ensures Council objectives are achieved efficiently and effectively as required by Section 6(1) of the Local Government (General) Regulations. Updates on changes to the framework will be presented to the Internal Audit Committee before being presented to Council for adoption.

4.3.2 The Chief Executive Officer must adopt a risk management approach to identifying and assessing risks and apply cost/benefit analysis in the development of internal controls and is responsible for ensuring Council employees conduct their duties in accordance with internal control policies, procedures and practices of Council.

#### **4.4. Elements of the Internal Control Framework**

The essential elements of an effective internal control framework are:

- Structure and culture of Council;
- Delegations of Authority;
- Policies and procedures;
- Trained and properly qualified staff;
- Information Technology controls;
- Review process e.g. internal audit;
- Liaison with auditors and legal advisors;
- Senior Management compliance assurance;
- Risk identification and assessment.

#### **4.5. Accounting and Policy Manual**

The Local Government (General) Regulations prescribes that a council must maintain an internal accounting policies and procedures.

The Accounting and Policy Manual includes the following:

- a) an organisation chart showing the functions of the council, its committees and responsible officers;
- b) a statement of the duties and responsibilities of the CEO and responsible officers;
- c) a statement of the principal accounting policies of the council;
- d) information about the timing and content of financial management reports to the council and the CEO;
- e) a statement of the procedures the council considers necessary to facilitate the timely preparation of the council's annual financial statement;
- f) the information necessary to ensure the proper operation of any computer-based accounting system in use;
- g) details of all administrative and accounting procedures, policies and delegations of authority, including:
  - i) details of internal control procedures; and

## APPENDIX B– RISK ASSESSMENT AND ACCEPTANCE CRITERIA

### EXISTING CONTROLS RATING

LEVEL	RATING	FORESEEABLE	DESCRIPTION
E	<b>Excellent</b>	Doing more than what is reasonable under the circumstances	Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation
A	<b>Adequate</b>	Doing what is reasonable under the circumstances	Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation
I	<b>Inadequate</b>	Not doing some or all things reasonable under the circumstances	Existing controls do not provide confidence that they meet current legislated, regulatory and compliance requirements, and may not be aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation

### MEASURES OF CONSEQUENCE

LEVEL	1	2	3	4	5
RATING	Insignificant	Minor	Moderate	Major	Catastrophic
<b>INJURY</b>	Negligible injuries requiring no treatment	First aid injuries	Medical type injuries or lost time injury < 5 days	Serious injury requiring hospitalisation or lost time injury > 5 days	Death/(s) or permanent disability
<b>FINANCIAL</b>	Less than \$2,000	\$2,000 - \$10,000	\$10,001 - \$100,000	\$100,001 - \$2M	More than \$2M
<b>SERVICE INTERRUPTION</b>	No service impact	Brief service interruption – backlog cleared with existing resources	Temporary service interruption – backlog cleared by additional resources	Prolonged interruption of service area operations	Indeterminate prolonged interruption of critical core service deliverables – total shut down of operations
<b>COMPLIANCE</b>	Occasional noticeable temporary non-compliances – rectified internally with no impact	Regular noticeable temporary non-compliances – Council Mention	Non-compliance with significant regulatory requirements imposed –Council inquiry and report	Non-compliance results in termination of services or imposed penalties – Local Government Ministerial inquiry	Non-compliance results in criminal charges or significant damages or penalties
<b>REPUTATION</b>	Unsubstantiated, localised low impact on key stakeholder trust, low profile or no media item	Substantiated, localised impact on key stakeholder trust or low media item	Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile	Substantiated, public embarrassment, widespread high impact on key stakeholder trust, high media profile, third party actions	Substantiated, public embarrassment, widespread loss of key stakeholder trust, high widespread multiple media profile, third party actions
<b>ENVIRONMENT</b>	Contained, reversible impact managed by on site response	Contained, reversible impact managed by internal response	Contained, reversible impact managed by external agencies	Uncontained, reversible impact managed by a coordinated response from external agencies	Uncontained, irreversible impact to multiple ecosystems

### MEASURES OF LIKELIHOOD

LEVEL	RATING	DESCRIPTION
5	<b>Almost Certain</b>	The event is expected to occur several times each year ( <i>A known, regular issue</i> )
4	<b>Likely</b>	The event will probably occur once a year ( <i>Wouldn't be surprised if it happened</i> )
3	<b>Possible</b>	The event may occur during a 4 year period ( <i>A 50:50 chance it may happen</i> )
2	<b>Unlikely</b>	The event may occur during a 10 year period ( <i>Would be surprised if it happened</i> )
1	<b>Rare</b>	The event may only occur in exceptional circumstances ( <i>Would be extremely surprised if it ever happened</i> )

### RISK MATRIX

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	MODERATE (5)	HIGH (10)	HIGH (15)	EXTREME (20)	EXTREME (25)
Likely	4	LOW (4)	MODERATE (8)	HIGH (12)	HIGH (16)	EXTREME (20)
Possible	3	LOW (3)	MODERATE (6)	MODERATE (9)	HIGH (12)	HIGH (15)
Unlikely	2	LOW (2)	LOW (4)	MODERATE (6)	MODERATE (8)	HIGH (10)
Rare	1	LOW (1)	LOW (2)	LOW (3)	LOW (4)	MODERATE (5)

### RISK ACCEPTANCE CRITERIA

RISK RANK	LEVEL OF RISK	DESCRIPTION	CRITERIA FOR RISK ACCEPTANCE	RESPONSIBILITY
EXTREME	17 - 25	Urgent Attention Required	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring	CEO / Council
HIGH	10 – 16	Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to frequent monitoring	Director / CEO
MODERATE	5 – 9	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to regular monitoring	Operational Manager
LOW	1 – 4	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager

## APPENDIX C – RISK PROFILE TEMPLATE

<b>Risk Theme</b>	<b>Date</b>
<p><b><u>This Risk Theme is defined as;</u></b>  <i>Definition of Theme</i></p>	

<p><b><u>Potential causes include;</u></b>  <i>List of potential causes</i></p>
---

Key Controls	Type	Date	Rating
<i>List of Key Controls</i>			

<b>Overall Control Ratings:</b>	
---------------------------------	--

Risk Ratings	Rating
<i>Consequence:</i>	
<i>Likelihood:</i>	

<b>Overall Risk Ratings:</b>	
------------------------------	--

Key Indicators	Tolerance	Date	Overall Result
<i>List of Key Indicators</i>			

<p><b><u>Comments</u></b>  <i>Rationale for all above ratings</i></p>
---

Current Issues / Actions / Treatments	Due Date	Responsibility
<i>List current issues / actions / treatments</i>		



## APPENDIX D – RISK THEME DEFINITIONS

### 1. Business and Community Disruption

Failure to adequately prepare and respond to events that cause disruption to the local community and/or normal Local Government business activities.

The event may result in damage to buildings, property, plant and equipment, lack of availability of key staff and/or interruptions to supply chain.

This does include;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training to specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads etc

Note: This does not include IT and/or communications systems and infrastructure related failures - refer "Failure of IT and/or Communication Systems and Infrastructure".

### 2. IT and/or Communication Systems and Infrastructure Failure

Instability, degradation of performance, or other failure of IT and/or Communication Systems and Infrastructure 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.

Note: This does not include new system implementations - refer "Inadequate Project/Change Management".

### 3. External Theft and Fraud (incl Cyber Crime)

Loss of funds, assets, data or unauthorised access, (whether attempts are successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud – benefit or gain by deceit
- Malicious Damage – hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft – stealing of data, assets or information (no deceit)

### 4. Misconduct

Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority.

This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.

- Misrepresenting data in reports.
- Theft by an employee
- Collusion between Internal & External parties
- Unauthorised and misuse of corporate systems and assets

Note: This does not include instances where it was not an intentional breach - refer Errors, Omissions, Delays and Incorrect Advice

## **5. Inadequate Safety and Security Practices**

Non-compliance with Health and Safety Legislation, associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors.

Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants.
- Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc).
- Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc).
- Public Liability Claims, due to negligence or personal injury.
- Employee Liability Claims due to negligence or personal injury.
- Inadequate or unsafe modifications to plant & equipment

## **6. Ineffective and Unsustainable Financial Management**

Failure to ensure Council manages its finances in a responsible and sustainable manner in the short and long term.

## **7. Inadequate Project/Change Management**

Inadequate analysis, design, delivery and/or status reporting of project and change initiatives, resulting in additional expenditure, time requirements, resource allocation or scope changes.

This includes:

- Inadequate Change Management Framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems



## **8. Errors, Omissions, Delays and Incorrect Advice**

Errors, omissions, delays in operational activities or incorrect advice as a result of unintentional errors or failure to follow due process. This includes instances of;

- Human errors, incorrect or incomplete processing
- Inaccurate recording, maintenance, testing and / or reconciliation of data.
- Errors or inadequacies in model methodology, design, calculation or implementation of models.

## **9. Inadequate Document Management Processes**

Failure to adequately capture, store, archive, retrieve, provide and / or dispose of documentation.

This includes:

- Contact lists.
- Procedural documents.
- 'Application' proposals/documents.
- Contracts
- Forms, requests or other documents.

## **10. Inadequate Procurement/Supplier/Contract Management**

Inadequate management of External Suppliers, Contractors, ICT Vendors or Consultants engaged for core operations and the associated procurement. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes.

## **11. Ineffective HR Management / 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. Other areas in this risk theme to consider are;

- Breaching employee regulations (excluding H&S).
- Discrimination, Harassment & Bullying in the workplace.
- Poor employee wellbeing (causing stress)
- Key person dependencies without effective succession planning in place.
- Induction issues.
- Terminations (including any tribunal issues).
- Industrial activity.

Care should be taken when considering insufficient staff numbers as the underlying issue could be a process inefficiency.

## **12. Failure to Fulfil Statutory, Regulatory 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 increased 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.

Note: This includes the Local Government Act and all other legislative based obligations for Local Government. It does not include Health and Safety Legislation (refer to Inadequate Safety and Security Practices") or any Employment Practices based legislation (refer to Ineffective HR Management / Employment Practices)

## **13. Inadequate Asset Sustainability Practices**

Failure or reduction in service levels of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal.

Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning..

Note: It does not include issues with the inappropriate use of the Plant, Equipment or Machinery (refer to Misconduct).

## **14. 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.

## **15. Ineffective Management of Public Facilities/Venues/Events**

Failure to effectively manage the day to day operations of public facilities, venues and/or events.

This includes;

- Inadequate procedures in place to manage the quality or availability.
- Ineffective signage
- Booking issues
- Financial interactions with hirers / users
- Oversight / provision of peripheral services (eg. cleaning / maintenance)

## **16. Inadequate Environmental Management**

Inadequate prevention, identification, enforcement and management of environmental issues that Local Government is responsible or custodian. The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.

# Work Health & Safety Litchfield Council, Fred's Pass NT.

WH&S Report – January 2018



## REFERENCES

- A. Northern Territory (National Uniform Legislation) Work Health and Safety Act
- B. Northern Territory (National Uniform Legislation) Work Health and Safety Regulations
- C. AS/NZS 4801:2001 Occupational Health and Safety Management Systems
- D. ISO 31000:2009 Risk Management Principles and Guidelines
- E. NT Building Act
- F. Fire and Emergency Act 2011
- G. Relevant Australian Standards

## SUMMARY

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This report has been put together by Ian Hill WH&S Advisor for Latitude 12 commissioned by Litchfield Council.

A face to face interview with Kristin Lehmann was held, on the current status of WH&S at the council overall, Kristen supplied the requested documents to be reviewed as part of this Inspection and Reporting process.

A site inspection of the Howard Springs, Humpty Doo and Berry Springs Waste Transfer stations was conducted on 13.12.2017, a separate report is attached.

Conversations with other staff were conducted on an informal basis over the visit.

### THE CURRENT STATUS OF WH&S AT LITCHFIELD COUNCIL.

---

Currently WH&S at the Council is best described as fractional, there are many WH&S documents (Policy, Procedures and forms etc) although what is available does not form any sort of structure, most of the supplied documents were out of date, not consistently formatted. The existence of the documents, demonstrate the willingness and the commitment of the Council to implement Work Health & Safety for the organisation and for their employees.

I met and interacted with a number of staff at the Council and their interest in WH&S was evident by the questions that they posed, answers that they gave and the information that they provided.

I benchmarked all the information and data gathered from the council against the AS/NZS 4801:2001 standard the council achieved a low compliance rating, mainly due to the inconsistency and currency of the supplied documents.

Compliance to NT Work, Health and Safety (NUL) Act and Regulations is severely diminished by the lack of organised WH&S activities and structure.

I completed a review of supplied documents noting some issues in relation to the documents

Issues Noted:

1. As stated above, all reviewed WH&S related policies are out of date.
2. Policies have procedural information contained in them, not uncommon in council document's, however the procedures are neither complete nor compliant.
3. Key policies and procedural documents were not available or do not exist ie: WH&S risk management, Return to Work, Journey Management, WH&S Training and Competency etc.
4. Differing Risk Matrix's used between Risk register, SWMS, Plant Risk Assessment documents.

5. There are conflicting statements from one document to another.

## RECOMMENDATIONS

---

1. Development and implementation of a full WH&S Management System to meet the Northern Territory WH&S Act and Regulations and Council requirements including:
  - Updating of existing policies and procedures to meet NT WH&S Act and Regulations and benchmarked against AS/NZS 4801
  - Development and implementation of new Policies and procedures – WH&S Risk and Hazard Management, Fitness for Work, Return to Work, Training and Competency, Hazardous Substances, Work Permits, WH&S Performance, Measurement and Monitoring, WH&S Communications.
  - Develop/update contractor management policy and procedures.
  - Complete a review of all current contractor WH&S documentation and activities, develop site audit documentation, review induction of contractors, schedule audits of contractor sites.
  - Introduce a consistent format for all WH&S documentation.
  - Council to agree on a risk matrix for use in all documents.
  - Development and implementation of Risk Management and Assessment Tools,
  - Schedule of communications and meetings.
  - Development and implementation of Risk Assessments, safe operating procedures for all plant, equipment and processes.
  - Development, implementation and maintenance of proposed registers (Core Risks, Actions, Incidents, hazardous Substances).
  - Set new format for WH&S Meeting – to include incident reviews, action register review and training programs, to provide feedback to employees.
  - Develop monthly safety alerts on relevant WH&S and Council issues.
  - Complete a full review/Audit of the WH&S Management System Annually.
2. Benchmark this system on AS/NZS4801 which will then meet Northern Territory WH&S Legislative requirements, whilst also allowing the Council the ability to measure and monitor their progress and current WH&S status against a recognised standard.
3. Address the issues identified in the attached inspection report, prepare an action plan, assign responsibilities and set about completing the actions in a timely manner.
4. Provide resources for an ongoing service to manage WH&S going forward including maintenance of registers, accident/incident data reviews, incident management and WH&S training.

This report is provided to you with no prejudice or binding conditions.

Regards,

Ian Hill  
WH&S Advisor – Latitude 12



# Waste Depot Safety Inspection

**Score**

26/46 - 56.52%

**Completed on**

4/1/18, 10:18 am

## **Actions**

**#1. WH&S Best practice indicates that all employees have access to policy and procedures that have a direct relationship to their tasks and employment situation. It also indicates that any updates/ changes of policy and procedures should be undertaken with consultations with employees and be communicated to the employees prior to implementation.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is the relevant WH&S Procedures available & accessible?  
Status: To Do

---

**#2. There needs to be a complete review of hazardous Substances on each site, creation of a council hazardous substances register.  
All employees to undergo hazardous substances training.  
Hazardous substances on stored in site storage containers, to be segregated from equipment within the container and kept in a neat and tidy manner.  
Removal and disposal of hazardous substances that have been decanted into drink containers and the practice banned from sites.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is the SDS folder available and accessible?  
Is there a Hazardous Substances register?  
Status: To Do

---

**#3. Safe operating procedures for all equipment and processes to be available at all sites.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is the SOPs for plant and equipment use accessible?  
Status: To Do

---



**#4. Containers and in the case of Humpty Doo, the area around the container needs to be kept in a tidy manner.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is this tidy and organised?  
Status: To Do

---

**#5. Electrical leads cables and hoses rolled up and put away.  
Electrical leads checked at time of visit were currently out of date for testing and tagging.**

Ladders inspected were damaged and should not be used, new compliant equipment purchased and scheduled inspections put in place for this equipment.

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is equipment off the ground where possible?  
Status: To Do

---

**#6. Containers to be tidied up and hazardous substances segregated**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Segregated storage areas  
Status: To Do

---

**#7. Spill kits to be accessible near the waste oil recovery tanks.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is the spill kit available?  
Status: To Do

---

**#8. Added signage to interior noting the step and that the doorway opens onto the access road, people to be aware of approaching traffic**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is the area tidy and is there clear access to buildings?  
Status: To Do

---

**#9. Raised concrete edges to be painted in Fluor yellow and maintained in good condition-repainted regularly.**

Permanent Fencing/barricading to be applied to sides of bin pits to prevent access from top and bottom to sides of bins.

Removable Fluoro barricading to be installed across the front of unused bins to prevent access to tops of closed bins. Attachable to the permanent fencing.

A low coloured barricade or rope to be installed across the front of open bins - denotes the edging.

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Working around/in pits or similar areas - bin voids?  
Status: In Progress

---

**#10. The low fluoro barricading/rope should also be used at the Humpty Doo station to denote the edging and that the area beyond is off limits. Signs on poles have been noted.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Working around/in pits or similar areas - bin voids?  
Status: To Do

---

**#11.**

Actions as above for working around bins.

Development of policy and procedures for working around high risk areas.

Training for employees in regards to working in a high risk area.

Enforcement of policy and procedures for high risk areas

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Preventative measures  
Status: To Do

---

**#12. Develop policy and procedures for the rescue of person/s from falls into or from bins.**

Install rescue equipment for accessing bins - ladder.

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Rescue methods?  
Status: To Do

---

**#13. Signage to be strategically placed at stations to inform people to keep children and pets in their vehicles for their own safety.**

Clear signage warning people of the edges of pits and bins, not to cross fences/barricading for their own safety.

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Is traffic control in place (signage and speed limits)? Management in place for vehicles, pedestrians, animals?  
Status: To Do

---

**#14. Scheduled refresher courses for all expired first aiders, there should be certified first aider on site at all times that the sites are open.**

**Develop a method for tracking training - Training matrix?**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: First aid kits and first Aiders on site?  
Status: To Do

---

**#15. Repair identified issue, scheduled inspections of emergency equipment- check extinguishers- test hoses  
Look at fire training for staff.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Fire fighting equipment on site, training in its use given?  
Status: To Do

---

**#16. Develop emergency rescue plans for all identified situations - falls from heights- into bins - vehicle interactions**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Emergency rescue plans in place?  
Status: To Do

---

**#17. Documented refuelling procedures, complete with what to do in the event of a spill  
Ensure that the refuelling is done at a suitable location that would make clean up of spills easy to facilitate.**

**Ensure that the refuelling vehicle has fire extinguishers and spill kit.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Fuelling procedures?  
Status: To Do

---

**#18. Develop documented procedures and processes for identified vehicle accidents/incidents, develop a emergency contacts list - prioritise responses. Develop and implement incident management training.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Accidents - rollovers, falls from height, other vehicles?  
Status: To Do

---

**#19. Develop and implement a pre qualification process for all contractors.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: WH&S pre-qualifications?  
Status: To Do

---

**#20. Document contractor management, with interactions as part of communications.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Site contractor management- how are they managed, supervision?  
Status: To Do

---

**#21. Develop a documented structure for inducting contractors, include this in contractor management plans**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Inducted?  
Status: To Do

---

**#22. Use of council equipment and contractors bringing own equipment to be documented in contractor Management plans and include in the induction program.**

Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: Do they use council equipment?  
Status: To Do



---

**#23. Scheduled inspections and hazard observations to be included in the councils. risk management strategy risk register.**





Assignee: Unassigned  
Priority: None  
Audit: Waste Depot Safety Inspection  
Linked to item: How often and in what form is the site inspected for hazards and risks.  
Status: To Do

## Audit - 26/46 - 56.52%


Question	Response	Details
	8:30 am	
Inspected by	Ian Hill	
WH&S Advisor	Ian Hill	
<b>Policy &amp; Procedures</b>		Score (1/4) 25%
Is the relevant WH&S Procedures available & accessible?	No	Did not see policy and procedures manuals at the sites I visited, was informed that not all staff have council emails and log in access?
Actions: #1		
Is the SDS folder available and accessible? Is there a Hazardous Substances register?	No	No SDS sheets found at Howard Springs, asked both Paul and Leo about them neither of them new of the whereabouts, Paul looked through the office? I looked in the container, no SDS folder in evidence, there was evidence of Substances decanted into drink bottles. I did find the SDS folder at Humpty Doo station, under a layer of dust in the container.
Actions: #2		
Is the SOPs for plant and equipment use accessible?	Yes	Did not see SOPs on sites, however did see some evidence of SOPs and training documents at Council office.
Actions: #3		
Are evacuation plans visible on exit?	No	Did not note evac plans at stations, however there are designated muster points near the front gates, as the sites visited were open yards by nature of the business conducted, Plans are redundant.
<b>Storage Areas</b>		Score (0/3) 0%
Is this tidy and organised?	No	Both storage containers inspected were in an untidy condition
Actions: #4		

Question	Response	Details
Is equipment off the ground where possible?	No	Electrical leads and other cables and hoses left on the ground, ladders left out and on the ground?
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>Appendix 1</p> </div> <div style="text-align: center;">  <p>Appendix 2</p> </div> </div>		
Actions: #5		
Segregated storage areas	No	Chemicals and equipment stored in same container and in same shelving area.
Actions: #6		
<b>WASTE OIL STORAGE AREA</b>		Score (3/4) 75%
Is the storage of oil acceptable? Area kept clean, spillage kept to a minimum?	Yes	
Are containers correctly labelled?	Yes	
Is the spill kit available?	No	Did not note spill kits in the areas.
Actions: #7		
Is there appropriate signage in the area?	Yes	
<b>Toilets</b>		
Is there a cleaning program in place?	N/A	
Is there hand drying facilities available?	N/A	
Is the lighting and ventilation adequate?	N/A	
<b>DEPOT YARD</b>		Score (7/8) 87.5%
Is the area tidy and is there clear access to buildings?	Yes	However the door from the office at Howard Springs opens onto the access road/weight bridge.
Actions: #8		



Question	Response	Details
Is the ground surface in good condition?	Yes	All waste station roadways look well maintained, areas were wet at time of inspection, areas for pedestrians were in good condition.
Are bunkers & surrounding areas neat and tidy?	N/A	
Is ramp surface in good condition? and clear from debris?	Yes	
Working around/in pits or similar areas - bin voids?	No	<p>Both Howard Springs anode Berry Springs stations had clear access to edges with drops of more that 2 mtrs and clear access to the bins with similar drop height, with only a raised concrete edge for prevention.</p> <p>There is no preventative measures stopping accidental falls into the voids at the ends/ side of the bins or into the bins, similarly there is no preventative measures preventing persons from climbing onto the lids of closed bins or climbing up/down the bin ladders.</p> <p>There is no identified methods to rescue any body who falls into a bin?</p>
<div style="display: flex; justify-content: space-around; align-items: flex-end;"> <div style="text-align: center;">  <p>Appendix 3</p> </div> <div style="text-align: center;">  <p>Appendix 4</p> </div> <div style="text-align: center;">  <p>Appendix 5</p> </div> <div style="text-align: center;">  <p>Appendix 6</p> </div> </div>		
Actions: #9, #10		
Are recyclables sorted and in correct areas?	Yes	
<b>ACCESS &amp; EGRESS</b>		
Are gates secure and lockable?	Yes	
Is the height and width suitable?	Yes	
Are padlocks in good condition?	Yes	

Question		Response	Details
To be signed by WH&S Officer once Inspection completed and returned			
<b>Employees Working around Voids - W@H</b>			Score (15/27) 55.56%
Preventative measures	No	As above for working around bins/pits	
Actions: #11			
Rescue methods?	No	No obvious rescue procedures or equipment in evidence.	
Actions: #12			
Personal protective equipment worn on site?	Yes		
Training for high risk tasks?	Yes	Training conducted for new forklift at Humpty Doo site.	
<b>Clients and Children around voids - unloading at bins.</b>			Score (13/23) 56.52%
Preventative measures?	No	As above for working around bins/pits No preventative signage to instruct parents to keep their children in their vehicles to keep them safe.	
Rescue methods?	No	As above for rescue of employees.	
<b>Traffic Interactions?</b>			Score (13/21) 61.9%
Is traffic control in place (signage and speed limits)? Management in place for vehicles, pedestrians, animals?	Yes	No signage restricting children from leaving the vehicles, similarly for pets	
Actions: #13			
<b>Emergency management?</b>			Score (12/20) 60%
First aid kits and first Aiders on site?	No	First aid kits sighted, however first aid certification appears to have lapsed for some employees, there should always be a first wider on sit, whilst site is open.	
Actions: #14			

Question	Response	Details
Evacuation muster point signed?	Yes	
Fire fighting equipment on site, training in its use given?	No	Fire equipment is on site, I could not get extinguisher out of box at Howard Springs as box was damaged, unclear as to the level of training given, again trained employees on site at all times.
 <p>Appendix 7</p>		
Actions: #15		
Emergency rescue plans in place?	No	
Actions: #16		
Gas bottle storage? Out of heat and harm?	Yes	They do not take gas bottles, however people to just leave them when nobody is looking, stations secure them until they can be properly disposed of.
<b>Mobile plant and equipment</b>		Score (10/15) 66.67%
Fuelling procedures?	No	Refueling of plant ( Howard Springs and Humpty Doo)is done via the fuel pod on the Waste Managers vehicle, Berry springs plant is taken to the fuel station next to the waste station.
Actions: #17		
Accidents - rollovers, falls from height, other vehicles?	No	No documented procedures in evidence?
Actions: #18		
Training?	Yes	
Plant and equipment maintained in good condition? Pre-starts completed?	Yes	Noted servicing of loader/backhoe at Howard Springs.
<b>Working Alone.</b>		Score (8/11) 72.73%
How do employees Communicate with base/ management?	Yes	Outdoor workers have radio communications with office workers.

Question	Response	Details
Is there a system for checking on the welfare of employees working alone?	Yes	I don't think there is a structured system however they usually see one another from most points in the yards.
<b>Hazardous Environment</b>		Score (6/9) 66.67%
Floods and subsidence? Is the station closed at any time due to environmental issues?	N/A	
Snakes and rodents, how are these treated? Pest control, awareness programs, Procedures?	Yes	Identified posters on snakes, so awareness is there, snakes and rodents are going to be a part of there work environment, so keeping awareness up will be all the can practically be done?
<b>Hazardous Substances</b>		Score (5/8) 62.5%
Training?	No	
SDS and registers?	No	
<b>Fitness for Work</b>		Score (5/6) 83.33%
How is this managed, policy, procedure, testing, awareness, wellbeing program?	Yes	New policy developed and forwarded to all staff, due for implementation and enforcement in January 2018
<b>Contractor Management</b>		Score (4/5) 80%
WH&S pre-qualifications?	No	No evidence of pre-qualification for contractor is done.
Actions: #19		
Site contractor management- how are they managed, supervision?	Yes	There appeared to be good interaction between the contractors on site and waste station staff.
Actions: #20		
Inducted?	Yes	Contractors inducted - unsure if this is structured. No reference to refresher inductions or content of program.
Actions: #21		
Do they use council equipment?	Yes	All contractors bring their own equipment, if council equipment is needed this is operated by council employees.

Question	Response	Details
Actions: #22		
<b>Inspections</b>		Score (1/1) 100%
How often and in what form is the site inspected for hazards and risks.	Yes	No evidence of inspections?
Actions: #23		
<b>EXTRA COMMENTS</b>		
Comments?		

# Media



Appendix 1



Appendix 2



Appendix 3



Appendix 4





Appendix 5



Appendix 6



Appendix 7

## 9. Other Business

## 10. Confidential Items

Pursuant to Section 93 of the Local Government Act and Regulation 51 of Local Government (General) Regulations the meeting be closed to the public to consider the following Confidential Items:

### 10.1 ICT Business Continuity Plan

Regulation 51(1)(c) – information that would, if publicly disclosed, be likely to:

- i. cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or
- ii. prejudice the maintenance or administration of the law; or
- iii. prejudice the security of the council, it's members or staff; or
- iv. subject to subregulation (3) – prejudice the interests of the council or some other person;

### 10.2 Draft ICT Security Policy

Regulation 51(1)(c) – information that would, if publicly disclosed, be likely to:

- i. cause commercial prejudice to, or confer an unfair commercial advantage on, any person; or
- ii. prejudice the maintenance or administration of the law; or
- iii. prejudice the security of the council, it's members or staff; or
- iv. subject to subregulation (3) – prejudice the interests of the council or some other person

## 11 Close of Meeting