LITCHFIELD COUNCIL

Community effort is essential

Risk Management and Audit Committee (RMAC)

BUSINESS PAPER

Wednesday 11/03/2020

Meeting to be held commencing 10.00am
In Executive Meeting Room at 7 Bees Creek Road, Freds Pass

Daniel Fletcher, 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.

RMAC AGENDA

LITCHFIELD COUNCIL RMAC MEETING

Notice of Meeting
to be held in the Executive Meeting Room, Litchfield
on Wednesday, 11 March 2020 at 10.00am

Daniel Fletcher
Chief Executive Officer

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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 of the Risk Management and Internal Audit Committee Meeting held Tuesday 29 October 2019, 3 pages, be confirmed

Minutes have been distributed under separate cover and are publicly available on Council's website http://www.litchfield.nt.gov.au/council/committees or in hard copy by request.

5. Business Arising from the minutes

Meeting Date	Agenda Item & Resolution	Action Officer	Status
20 May 2019	**Item 5 Business Arising** THAT 1. RMAC receives and notes the Action Sheet and accepts management responses to updates of actions. 2. Receives a report at the February 2020 RMAC meeting with the revised dates for the development of asset management plans scheduled for completion by June 2021 including example of an asset management plan.	DIO	Asset management plan report to be presented at February 2020 meeting ITEM COMPLETE - See report 8.1 this agenda
20 May 2019	**Item 10.1 Draft Internal Audit Payroll Report and Management Response** THAT Risk Management and Audit Committee 1. receives and notes the KPMG Internal Audit of Payroll March 2019 Draft for Discussion report; 2. receives and notes Council's Management Response to the KPMG Internal Audit of Payroll March 2019 Draft for Discussion report; 3. receives a further report with the final internal audit report by KPMG and action plan from management at its meeting on 30 July 2019; and 4. requests the agreed actions out of the internal audit to be included in the risk register as treatments and internal controls. 5. Include the interpretation of the Litchfield Council EBA as an identified risk in Risk Profile 16.	DCCS	Item 1 – Noted Item 2 – Noted Item 3 – COMPLETE at September 2019 RMAC meeting Item 4 – COMPLETE See report 8.3 this agenda Item 5 – COMPLETE

Meeting Date	Agenda Item & Resolution		Action Officer	Status
3 Sep 2019	**8.1**	**Contract Management Internal Audit** THAT 1. RMAC notes the Contract Management audit report and management response to recommendations. 2. Recommended treatments are included in the risk register as actions and management responses reported via the risk dashboard	GRA	Item 2. An updated risk register will be presented to the RMAC at the February 2020 meeting ITEM COMPLETE – see item 8.3 this agenda
3 Sep 2019	**8.2**	**Procurement Improvement Committee** THAT the RMAC 1. Note the updated Procurement Improvement Committee Terms of Reference but that the frequency of the meetings has not been achieved in the last three months 2. Note the minutes from the Procurement Improvement Committee meeting on 13 May 2019 3. Note the Procurement Improvement Committee action list 4. Requests a report at the next RMAC meeting on the status of the action items 5. Recommends referring to the procurement improvement actions in Risk Profile 14	DIO	Item 4. Minutes from September PIC meeting attached (Attachment A). The resignation of the Manager of Infrastructure and Assets (MIA) has resulted in a delay to the implementing the PIC action list. A proposal has been received to engage the former MIA on a contract basis to complete the procurement manual and associated templates remotely. Item 5. An updated risk register will be presented to the RMAC at the February 2020 meeting ITEMS ALL COMPLETE – See report 8.2 this agenda

Meeting Date	Agenda Item & Resolution	Action Officer	Status
3 Sep 2019	**8.3 Risk Register** THAT RMAC, 1. Note the updated strategic risk register; and 2. Note the completed actions in the Risk Dashboard of the Strategic Risk Register, to will be removed from the action list with controls to be added where required. 3. Requests updated due dates for actions in the Risk Dashboard	GRA	An updated risk register will be presented to the RMAC at the February 2020 meeting ITEM COMPLETE – See report 8.3 this agenda
3 Sep 2019	**10.2 Final Internal Audit Payroll Report and Management Response** THAT RMAC 1. Receives and notes the KPMG FINAL Internal Audit of Payroll March 2019 including recommendations, management response, annexures and legal advice. 2. Requests a report on the likely financial impact to Council at the next RMAC meeting. 3. Requests that the implementation of actions from the audit be reported through the risk register.	DCCS	Item 2. COMPLETE – Report 10.1 in this agenda Item 3. COMPLETE –See report 8.3 this agenda

6. Presentations

7. Accepting or Declining Late Items

8. Officer Reports

RMAC REPORT

Agenda Item Number:	8.1
Report Title:	Asset Management Plans
Report Number:	
Meeting Date:	11/03/2020
Attachments:	Nil

Purpose

This report provides an update on the development of Asset Management Plans for Council.

Summary

The preparation of Asset Management Plans is both and Action List task and a Risk Register Control.

The minutes from the May 2019 RMAC meeting required that RMAC *Receives a report at the February 2020 RMAC meeting with the revised dates for the development of asset management plans scheduled for completion by June 2021 including example of an asset management plan.*

This report provides a table of revised dates as requested. An example plan has not been included, but the links to adopted plans have been provided.

To date, the following Asset Management Plans have been adopted by Council;

- Thorak Regional Cemetery (September 2018) https://www.litchfield.nt.gov.au/sites/default/files/WEB - Thorak Asset Management Plan.pdf
- Roads (October 2019) https://www.litchfield.nt.gov.au/sites/default/files/WEB - Roads Asset Management Plan October 2019.pdf

RP9 – Ineffective and Unsustainable Financial Management, includes an action for *Asset management plans in progress*. The Asset Management Plans are in progress. Following the adoption of plans Council's main asset classes, this would be recommended to be considered complete. This would include the plans listed in Table 1, excluding the reserves management by external boards.

RP15 – Inadequate Asset Sustainability Practices, also includes an action relating to Asset Management Plans; *Develop Asset Management Plan inc Asset costings to establish renewal program*. All Asset Management Plans include renewal program considerations.

Recommendation

THAT RMAC notes the update report regarding the status of Asset Management Plans.

Background

Council has progressed with the development of its Asset Management Plans. The Roads Asset Management Plan captures Council's largest asset class and was adopted by Council in October 2019. The Plant & Equipment, and Driveway Asset Management Plans have also been in draft for over nine months. These were on hold and not finalised or presented to Council until the adoption of the Roads Plan, which has caused a delay. A list of the plans was included in the May 2019 RMAC Agenda, these dates were further reviewed and are updated in Table 1 of this report.

Due to the Asset Management Officer leaving Council in November 2019 the position has been temporarily filled and is being reviewed by the new Finance Manager and Manager Infrastructure and Assets. This has resulted in data entry and data improvements occurring, but not progress on the development of Asset Management Plans, further delaying the development of some plans. The position has now been reviewed to ensure it meets Council's current needs and will be advertised in March.

The list and indicative timing of future Asset Management Plans are included in the table below. Higher value asset classes have been prioritised for completion. Some of the dates do extend into 2021, this is due to the detail Council has on these assets being limited, so additional inspections and data collection is required for those plans to be prepared.

Table 1

Class/Group	Includes	Status/Target Date
Thorak Cemetery	All assets within the boundary	Complete
Roads	Road assets	Complete
Plant & Equipment	Light and heavy plants, vehicles	In draft – June 2020
Driveways	Driveways, driveway culverts	In draft – June 2020
Drainage	Cross road culverts, underground drainage	December 2020
Council Building and Surrounds	Council office building, irrigation, parking etc	December 2020
Freds Pass Sport and Recreation Reserve	Buildings, sport infrastructure, playgrounds, irrigation, pumps	December 2020
IT Equipment	Notebook, computers, ipads	March 2021
Howard Springs, Humpty Doo & Berry Springs Waste Transfer Stations	Buildings, transfer station infrastructures, bins, weighbridge, compactor	March 2021

Class/Group	Includes	Status/Target Date
Howard Park & Knuckey Lagoon Recreation Reserves	Buildings, sport infrastructure, playgrounds, irrigation, pumps	March 2021
Board Managed Recreation Reserves (excl Freds Pass)	Buildings, sport infrastructure, playgrounds, irrigation, pumps	June 2021

Links with Strategic Plan

A Well-Run Council - Good Governance

A Well-Run Council - Modern Service Delivery

Legislative and Policy Implications

Nil identified.

Risks

Asset Management Plans assist Council with decision making relating to its assets. The principles of asset management are applied to decisions currently, however there is a risk that without Asset Management Plans in place for all assets Council may not be fully aware of its risks relating to some assets.

Financial Implications

All activities are carried out within existing budgets.

Community Engagement

Nil identified.

Recommending Officer: **Nadine Nilon, Director Infrastructure and Operations**

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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RMAC REPORT

Agenda Item Number:	8.2
Report Title:	Procurement Improvement Committee Update
Report Number:	
Meeting Date:	11/03/2020
Attachments:	Attachment A - Procurement Improvement Committee Action List Attachment B - Procurement Improvement Committee Minutes (x4) Attachment C - Procurement Manual Attachment D - Tender Procedure

Purpose

This report provides an update on the progress of the Procurement Improvement Committee.

Summary

The Procurement Improvement Committee (PIC) was re-established in 2019 to ensure Council has a focus on continual improvement of procurement activities. Internal audits and operational reviews of procurement activities have been consolidated into a single location where they are reviewed by the PIC. Responsibility for actions are determined and then monitored.

There are a total of 102 actions identified within the consolidated list, with 67 recorded as complete.

The minutes from the September 2019 RMAC meeting included that RMAC;

1. *Note the updated Procurement Improvement Committee Terms of Reference but that the frequency of the meetings has not been achieved in the last three months*
2. *Note the minutes from the Procurement Improvement Committee meeting on 13 May 2019*
3. *Note the Procurement Improvement Committee action list*
4. *Requests a report at the next RMAC meeting on the status of the action items*
5. *Recommends referring to the procurement improvement actions in Risk Profile 14*

This report provides;

- Update on key actions from the Procurement Improvement Committee Action List (Attachment A)
- Minutes from Procurement Improvement Committee Meeting held 9 September 2019, 29 October 2019, 15 November 2019 and 11 February 2020 (Attachment B)
- Procurement Manual (Attachment C)
- Tender Procedure (Attachment D)

Recommendation

THAT RMAC:

1. Note the minutes from the Procurement Improvement Committee meeting on 9 September 2019, 29 October 2019, 15 November 2019 and 11 February 2020;
2. Note the Procurement Improvement Committee action list; and
3. Note the Procurement Manual and Tender Procedure.

Background

The Procurement Improvement Committee (PIC) has continued to work on the actions listed within the Action List (Attachment A).

The most significant update in relation to the PIC is the completion of two key documents, the Procurement Manual and Tender Procedure. These documents have enabled the completion of over 20 items within the action list and have been endorsed by the Leadership Team. The documents will go to the 9th March Executive Team Meeting for adoption.

The Procurement Manual provides all staff with a 'go to' guide for procurement, providing information and details beyond the Council Procurement Policy.

The Tender Procedure provides a clear procedure with details of forms and supporting documents for each step of a tender process.

There remain two further documents to be prepared relating to procurement, a contract management procedure, and a project management framework which will provide an overarching framework for the entire lifecycle of a project. These documents will enable the majority of the remaining incomplete items on the Action List to be completed.

Links with Strategic Plan

A Well-Run Council - Modern Service Delivery

Legislative and Policy Implications

Nil identified.

Risks

The overall control rating for the procurement risk profile remains inadequate however significant progress has been made on addressing actions as per the PIC action list. It is envisaged that once all actions are implemented the overall control rating will be updated to excellent as per the risk acceptance criteria.

Financial Implications

All activities are carried out within existing budgets.

Community Engagement

Nil identified.

Recommending Officer: **Nadine Nilon, Director Infrastructure and Operations**

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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Attachment A

Procurement Improvement Committee Action List

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Current Status
1	2017 Procurement Audit	#1	Review Strategic Plan (Principle 2) and update to incorporate references to Council Procurement Policy in Priority #4	Low	Jun-18		Complete	Strategic plan has since been reviewed. Good governance principle remains with high level statements that encompass procurement - "We will promote a culture of transparency, ethical practice and the effective and timely management of risks to instil a high level of community respect and confidence in Council decision-making."
2	2017 Procurement Audit	#2	Review Municipal Plan and Performance Management Framework to incorporate references to Council Procurement Policy	Low	Jun-18		Complete	Whilst procurement policy is a key control it one of many control policies. The Municipal plan is not an appropriate place for reference to individual policies. The performance management framework is under review with an updated performance review process being developed. Adhearance to Council policies is already incorporated into position descriptions.
3	2017 Procurement Audit	#3	Consider the inclusion of appropriate procurement objectives in individual work plans for staff involved in procurement activities	Low	Jun-18	Jun-19	Complete	Included in new/revised position descriptions, operational plans as relevant, and all staff have been advised of ne Procurement Policy
4	2017 Procurement Audit	#4	Update the Procurement Policy to include references to the 'good governance' principle included in the Strategic Plan	Medium	Dec-17		Complete	Complete
5	2017 Procurement Audit	#5	Develop and adopt a Conflict of Interest Policy and guidelines for procurement activities	High	Sep-17		Complete	Complete - FIN03 Updated 21/11/2018 and includes conflict of interest. Procurement Manual to include further guidance
6	2017 Procurement Audit	#6	Develop and implement Conflict of Interest training for existing staff and include it in Induction Training for new staff	High	Sep-17	Jun-19	In progress	Organise Probity Auditor session regarding conflict of interest - including induction information training slides for reuse. Discussed with Merit about providing session - to be arranged in November 2019
7	2017 Procurement Audit	#7	Review and update Procurement Policy (FIN03) to reflect all accepted recommendations in the Review	Medium	Dec-17		Complete	Complete
8	2017 Procurement Audit	#8	Designate an appropriate position within Council to act as a point of contact and referral for procurement activities	High	Sep-17		Complete	Complete - Finance Manager
9	2017 Procurement Audit	#9	Update the position description for the nominated position to reflect procurement responsibilities	Medium	Dec-17		Complete	Complete
10	2017 Procurement Audit	#10	Develop a repository for all procurement documentation and artefacts	Medium	Dec-17		Complete	Complete - document management system updated with details to be reflected in Procurement Manual
11	2017 Procurement Audit	#11	Provide appropriate training for the procurement position based on the role responsibilities	Medium	Dec-17		Complete	Complete

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Current Status
12	2017 Procurement Audit	#12	Place procurement flowcharts on Council records system and promote their availability to staff	High	Sep-17	Aug-19	Complete	Included in Procurement Manual
13	2017 Procurement Audit	#13	Incorporate the procurement flowcharts into the procurement training program for staff	High	Sep-17	Aug-19	Complete	Flowcharts are included in the Draft procurement manual
14	2017 Procurement Audit	#14	Develop and implement a knowledge transfer project for critical procurement position holders	Medium	Dec-17	Aug-19	Complete	Included in Tender Procedure - PJ - inserted definition of InfoExpert and a section in procedure about document management
15	2017 Procurement Audit	#15	Remind all Council staff of their record keeping responsibilities	High	Sep-17		Complete	New business classification system in place, including training of all staff
16	2017 Procurement Audit	#16	Include responsibility for maintaining Council's corporate record system in all position descriptions	Medium	Jun-18		Complete	Included in PDs
17	2017 Procurement Audit	#17	Consider the cost / benefit of updating the corporate record system with missing files, documentation and correspondence	Low	Jun-18		Complete	
18	2017 Procurement Audit	#18	Review and amend the existing Project Brief document to accommodate proposed capital projects	Medium	Jun-18	Jul-19	In progress	Expand in T01 (tender intiation form)
19	2017 Procurement Audit	#19	Extend the requirement for all capital projects to be supported by Project Briefs as part of the budget development process	Medium	Jun-18	Jul-19	In progress	Expand in T01 (tender intiation form)
20	2017 Procurement Audit	#20	Require that more detailed Project Briefs are prepared and are authorised by a Director prior to commencing any procurement activity	High	Sep-17	Jul-19	In progress	Expand in T01 (tender intiation form)
21	2017 Procurement Audit	#21	Amend the Procurement Policy to require that Tender Evaluation Panels (TEPs) are convened immediately once a Project Brief has been authorised	High	Sep-17	Aug-19	Complete	Included in draft Tender Procedure - PJ - inserted comment in section 4.2 and included comment on the role and management of outside consultants in TEP if required
22	2017 Procurement Audit	#22	Ensure that TEPs meet as a group at key milestones in the procurement process e.g. sign off of tender documentation and probity plan; tender evaluation	High	Sep-17	Jul-19	Complete	Included in draft Tender Procedure - PJ - Added 4.2.3 in the procedure which covers Role of the TEP
23	2017 Procurement Audit	#23	Develop Confidentiality and Disclosure Declarations and a Probity Plan template and require them to be completed in all tenders over $100,000	High	Sep-17		Complete	In place
24	2017 Procurement Audit	#24	Remove weightings references and contact references from tender documentation	High	Sep-17		Complete	Included in Tender Procedure
25	2017 Procurement Audit	#25	Consider whether all consultancy and training costs should be subject to normal quotation and public tender rules	Low	Jun-18		Complete	Procurement Policy meets LG Accounting Regulations
26	2017 Procurement Audit	#26	Review and change the definition of 'cost' in the Procurement Policy	High	Sep-17		Complete	Procurement Policy meets LG Accounting Regulations
27	2017 Procurement Audit	#27	Review the Procurement Guide and update all tender evaluation standard documentation	Medium	Dec-17	Aug-19	In progress	Included in Tender Procedure
28	2017 Procurement Audit	#28	Provide training on tender evaluation for all staff involved in procurement activities	High	Dec-17	Jun-19	In progress	Develop register for training of staff relating to procurement. Include in conflict of interest. Can be prepared now document in place

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Current Status
29	2017 Procurement Audit	#29	Ensure all tender evaluation documentation is captured in the corporate records system including individual TEP members notes and explanations	High	Sep-17		Complete	Occurs in practice, to be included in Procurement Manual
30	2017 Procurement Audit	#30	Consider Council's position with respect to including non-qualified non-Council staff in TEPs and amend the Procurement Policy as necessary	Medium	Dec-17		Complete	Included in new Procurement Policy
31	2017 Procurement Audit	#31	Ensure that all contract awards over $100,000 are published on Council's web-site in accordance with Northern Territory government requirements	Medium	Dec-17		Complete	Occurs in practice, to be included in Procurement Manual
32	2017 Procurement Audit	#32	Implement all of the recommendations included in the Council report of 16 December 2016	High	Sep-17	Jul-19	In progress	Review report and confirm
33	2017 Procurement Audit	#33	Develop a standard Progress Payments template to support the request for interim contract payments that are submitted to Directors for sign off	High	Sep-17	Jul-19	In progress	To be included in Contract Management Procedure
34	2017 Procurement Audit	#34	Update the Procurement Policy to reflect the financial delegation provided to the CEO	Medium	Sep-17		Complete	Not required, included in Delegations Manual
35	2017 Procurement Audit	#35	Provide contract management training for staff	Medium	Dec-17	Sep-19	In progress	Develop register for training of staff relating to procurement and include in Procurement Manual
36	2017 Procurement Audit	#36	Review and update the Procurement Policy to reflect how Council utilises the Tenderlink system	Medium	Sep-17		Complete	Included in updated Porcurement Policy
37	2017 Procurement Audit	#37	Consider holding supplier briefings once or twice a year to provide local suppliers with information on how to quote for Council business	Medium	Dec-17		Complete	No further action
40	2017 Procurement Audit	#38	Consider a workflow alert identifying any requisitions raised which exceed the available budget	Low	Jun-18		Complete	Funtionality implemented as available within current systems
41	2017 Procurement Audit	#39	Consider the development of a Capital Working Group to meet regularly and provide oversight of the entire capital program	Low	Jun-18		Complete	Monthly report meetings in place including project status and costs
42	2017 Procurement Audit	#40	Review and develop appropriate reporting mechanisms to support the Capital Working Group	Low	Jun-18		Complete	Monthly report meetings in place including project status and costs
43	2016 December Council Report	1	Develop process of internal approval of cost variations, including written acceptance to the contractor			Jun-19	In progress	To be included in Contract Management Procedure. Partial inclusion in Procurement Manual requiring memo's/approvals for variations
44	2016 December Council Report	2	Documented process outlining Executive oversight of project planning stage to ensure that design elements are fit for purpose, tender schedules are complete and error-free, and provisional sums are clear			Jul-19	Complete	Covered within draft Tender Procedure (and Procurement Manual as appropriate) PJ - Included RFT/RFQ requirement in both manual and procedure.
45	2016 December Council Report	3	Building in to project budgets in-house labour costs for project management.			Jul-19	Complete	Included in Tender Procedure
46	2018 Probity Review	1	For service SOR contracts. Provide tenderers an indication of the 'indicative' quantities of services required, including a forecast of volume, which can then be also used for price comparisons in the tender evaluation.			Aug-19	Complete	Included in Tender Procedure
47	2018 Probity Review	2	Formal tender evaluation plan documented, beyond the generic guidance in the procurement policies/guidelines.			Jul-19	Complete	Included in Tender Procedure

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Current Status
48	2018 Probity Review	3	Consider tender opening period to be 15 working days (3 weeks)			Jul-19	Complete	Included in draft Tender Procedure - PJ - guidance to advertising periods are provided in the procedure at 6.1
49	2018 Probity Review	4	Consider 'may' consider late tenders				Complete	Included in current plan
50	2018 Probity Review	5	Use tenderlink as email/contact person				Complete	Included in current plan
51	2018 Probity Review	6	Ensure USBs are password encrypted				Complete	Included in current plan
52	2018 Probity Review	7	Document consideration of probity advisor for tender				Complete	Included in current plan
53	2018 Probity Review	8	Minimise timeframe between evaluation individually and assessment				Complete	Included in draft Tender Procedure - PJ - Additional comments made in section 8.1 Tender Evaluation
54	2018 Probity Review	9	Ensure panel agree on clarification questions required to be asked of tenderers			Jul-19	Complete	Included in Tender Procedure
55	2018 Probity Review	10	Ensure combined assessment discusses everyones scores and considers weighted assessment				Complete	Included in Tender Procedure
56	2018 Probity Review	11	Ensure no discussion of the tender assessment (scoring) occurs without the full panel being present			Jul-19	Complete	Included in Tender Procedure
57	2018 Probity Review	12	Ensure the entire panel sees and signs recommending report and documents				Complete	Included in Tender Procedure
58	2018 Probity Review	13	Undertake reference checks to independently verify tender responses			Jul-19	Complete	Included in Tender Procedure
59	2018 Probity Review	14	Ensure reports and details are checked and correct, including dates and pricing			Jul-19	Complete	Included in Tender Procedure
60	2018 Probity Review	15	Provide record keeping around meetings and assessment			Jul-19	In progress	Included in Tender Procedure, formal minute template required
61	2018 Probity Review	16	Ensure conflicts of interest or conflict/confidentiality declarations from the Evaluation Committee members are complete				Complete	Included in current plan
62	2018 Probity Review	17	Ensure contract is approved prior to advising successful contractors.				Complete	Included in current plan
63	2018 Procurement Maturity Roadmap	1	Governance - Policy review and changes		Jul-18		Complete	FIN03 Procurement policyadopted in November
64	2018 Procurement Maturity Roadmap	2	Governance - Complaints policy development		Jul-18	Sep-19	In progress	
65	2018 Procurement Maturity Roadmap	3	Planning - Contract expiry review and respond		Jul-18	Aug-19	In progress	Investigate Authority capabilities and include in checklists and flowcharts
66	2018 Procurement Maturity Roadmap	4	Planning - Post contract reviews pre tender		Jul-18	Jul-19	In progress	To be included in Contract Management Procedure
67	2018 Procurement Maturity Roadmap	5	Procure - Tender template/tools update and promulgate (embed risk mgt considerations)		43282	43647	Complete	Included in Tender Procedure (risk aspects will be covered through Project Management Framework/Contract Procedures)
68	2018 Procurement Maturity Roadmap	6	Contracting - Review and adopt NTG Contracts		Jul-18		Complete	Australian Standards and NTG Contracts used as required

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Current Status
69	2018 Procurement Maturity Roadmap	7	Contracting - Clarify position on BAFO / Negotiation		Jul-18		Complete	Council does not engage in a Best and Final Offer (BAFO) negotiation process as tenders are assessed on the basis that the application submitted is the BAFO. Tenderers can submit alternate tenders which are outside the supplied specifications if they believe the job can be done in a different manner to that specified. These are assessed using the same criteria.
70	2018 Procurement Maturity Roadmap	8	Contract Management - Review variation procedures and implement changes as identified		Jul-18	Jun-19	In progress	To be included in Contract Management Procedure
71	2018 Procurement Maturity Roadmap	9	Enablers - Tenderlink question forum		Jul-18		Complete	The Tenderlink online portal is used as the sole method of releasing requests for tenders and EOIs.
72	2018 Procurement Maturity Roadmap	10	Governance - Document management		Nov-18	Aug-19	Complete	Included in Procurement Manual (and subsequent documents)
73	2018 Procurement Maturity Roadmap	11	Planning - Capital plan		Nov-18		Complete	Monthly capital plan and report meetings in place including project status and costs
74	2018 Procurement Maturity Roadmap	12	Planning - Collective procurement planning		Nov-18		Complete	Procurement manual includes procedure to access Local Buy collective procurement contracts
75	2018 Procurement Maturity Roadmap	13	Procure - Assess use of Panels/Period contracts & implement		Nov-18	Jul-19	Complete	Included in Procurement Manual and Tender Procedures
76	2018 Procurement Maturity Roadmap	14	Contracting - Include KPIs in contracts		Nov-18	Jul-19	Complete	Complete. Will be included as necessary within Contracts
77	2018 Procurement Maturity Roadmap	15	Contract Management - Supplier engagement surveys		Nov-18	Jun-19	In progress	To be included in Contract Management Procedure
78	2018 Procurement Maturity Roadmap	16	Contract Management - Contractor performance reports		Nov-18	Jun-19	In progress	To be included in Contract Management Procedure
79	2018 Procurement Maturity Roadmap	17	Enablers - Procurement Community of Practice		Nov-18	Mar-20	In progress	Information of how to show interest. Create register of contractors and other interested
80	2018 Procurement Maturity Roadmap	18	Enablers - Policy / procedure training		Nov-18	Mar-20	In progress	Training register (identified in other actions). Pruchase of HR softwarre would enable this
81	2018 Procurement Maturity Roadmap	19	Planning - Capital bids		Mar-19	Mar-20	In progress	Include capital works and maintenance contracts on website - and information of how to show interest.
82	2018 Procurement Maturity Roadmap	20	Contract Management - Monitor and report on KPIs		Mar-19	Jun-19	In progress	To be included in Contract Management Procedure
83	2018 Procurement Maturity Roadmap	21	Enablers - Contract Management System planning		Mar-19	Jun-19	In progress	To be included in Contract Management Procedure
84	2019 RFQ Probity Review	1	Conflict of interest and confidentiality - ensure potential conflicts are identified by all members involved in the procurement			Jun-19	Complete	Included in Tender Procedure
85	2019 RFQ Probity Review	2	Evaluation Plan to be signed by all members prior to tender closing			Jul-19	Complete	Included in Tender Procedure

Item	Source	Source Item #	Action	Risk Priority	Due (Original)	Due (Updated)	Current Status	Current Status
86	2019 RFQ Probity Review	3	Ensure criteria is disclosed in all RFQ and RFT documents			Jul-19	Complete	Included in Tender Procedure
87	2019 RFQ Probity Review	4	Contact email - utilise Tenderlink or Localbuy forums			Aug-19	complete	Included in Tender Procedure
88	2019 RFQ Probity Review	5	Localbuy - review contract terms of localbuy prior to procurement process			Jul-19	complete	Included in Tender Procedure
89	2019 RFQ Probity Review	6	Referee checks undertaken by panel member, or panel member is present			Aug-19	Complete	Included in Tender Procedure
90	2019 RFQ Probity Review	7	Cross-check accuracy of report against process undertaken			Jul-19	Complete	Included in contract maangement checklist and T03
91	2019 RFQ Probity Review	8	Evaluation spreadsheet has errors within it			Jul-19	Complete	T09 updated
92	2019 Contract Management Audit	3.1.1	Develop Project Management Framework	Medium	Dec-19	Jun-20	In progress	Include contract management related aspects in Contract Management Proceudure. Revised date to Jun 2020 to enable development following implementation
93	2019 Contract Management Audit	3.1.2	Include procurement / contract handover in Project Management Framework	Medium	Dec-19	Jun-20	In progress	Contract Management Checklist prepared
94	2019 Contract Management Audit	3.1.3	Include risk assessment in Project Management Framework	Medium	Dec-19	Jun-20	In progress	Include in Project Management Framework
95	2019 Contract Management Audit	3.2.1	Set up Contracts Module in Authority with accompanying procedure	Medium	Dec-19	Jun-20	In progress	
96	2019 Contract Management Audit	3.3.1	Develop checklist for current and new contracts, including documentation required	High	Aug-19	Jun-20	In progress	Contract Management Checklist prepared
97	2019 Contract Management Audit	3.3.1	Include checklist in Project Management Framework	High	Dec-19	Jun-20	In progress	
98	2019 Contract Management Audit	3.3.2	Include kick-off meeting in checklist, to be included in Project Management Framework	Medium	Aug-19	Jun-20	In progress	Contract Management Checklist prepared
99	2019 Contract Management Audit	3.3.3	Include site visits in checklist, to be included in Project Management Framework	High	Aug-19	Jun-20	In progress	Contract Management Checklist prepared
100	2019 Contract Management Audit	3.3.4	Develop variation procedure and template, to be included in Project Management Framework	High	Aug-19	Jun-20	In progress	To be included in Contract Management Procedure
101	2019 Contract Management Audit	3.4.1	Include contractor performance (KPI's, reports and issues) in checklist, to be included in Project Management Framework	Medium	Aug-19	Jun-20	In progress	
102	2019 Contract Management Audit	3.4.2	Include records of contractor performance in checklist, to be included in Project Management Framework	Medium	Aug-19	Jun-20	In progress	
A1	Risk Action Sheet	RP9	Implement Procurement Audit Findings		Jun-18		In progress	
A2	Risk Action Sheet	RP14	Develop Contract Management System		Jun-18		In progress	
A3			Develop Procurement Manual		Aug-19		In progress	

MINUTES

PROCUREMENT IMPROVEMENT COMMITTEE MEETING

Minutes of Meeting
held in Executive Conference Room
on Monday, 9 September 2019 at 11amm

Natalie Dreibergs
Manager Infrastructure and Assets

Number	Agenda Item
1	Welcome • Natalie Dreibergs • Daniel Fletcher • Silke Maynard • Charissa Wust
2	Apologies • Nadine Nilon • David Jan
3	Disclosures of interest • Nil
4	Action Items 4.1. Develop KPIs for reporting purposes **ACTION:** Include as standing item in future agendas 4.2. Procurement Improvement Committee Terms of Reference **ACTION:** Register final terms of reference in InfoXpert folder 4.3. Action Sheet https://infoXpert.edrms/docs/~D426223?Login=True **ACTION:** Complete and monitor ongoing actions developed from various sources including reports and audits. 4.4. Authority Usage (Procurement & Contract Management) **ACTION:** DIO to investigate external support around Authority set up & usage. **ACTION:** Administration assistance / plan to enter past data 4.5. Procurement Manual **ACTION:** Handover draft to be reviewed and finalised off site.
5	General Business Nil

Next Meeting
Scheduled Monday, 21 October 2019, 2pm
An interim meeting to be held late September

MINUTES

PROCUREMENT IMPROVEMENT COMMITTEE MEETING

Minutes of Meeting
held in Executive Conference Room
on Tuesday, 29 October 2019, 1pm

Nadine Nilon
Manager Infrastructure and Assets

Number	Agenda Item
1	Welcome • Silke Maynard • Daniel Fletcher • David Jan • Charissa Wust • Nadine Nilon
2	Apologies
3	Disclosures of interest • Nil
4	Outstanding Action Items 4.1 Register final terms of reference in InfoXpert folder ACTION–RMAC version (ensure TOR include requirement that PIC minutes to go to RMAC)- DIO by November 2019 4.2 DIO to investigate external (Authority) support around Authority set up and usage ACTION–Works Administrator undertaking document upload currently – to be reviewed with procedures and checklists. No further action at this time. 4.3 Administration assistance/plan to enter past data As per above 4.4 Procurement Manual handover draft to be reviewed and finalised To be discussed
5	5.1 Action Sheet https://infoXpert.edrms/docs/CORPORATE%20MANAGEMENT/MEETINGS/Procurement%20Improvement%20Committee/PIC%20Improvement%20Actions.xlsx

ACTION–Documents to be reviewed and comments made within documents – All PIC members by Friday 9 November

ACTION–Collate and confirm any items requiring PIC discussion or clarification – DIO by Friday 16 November

5.2 Consideration of KPIs for Reporting Purposes

ACTION – Look into ability to obtain reports relating to the below – DCCS by next meeting
A) insufficient quotes
B) split orders
C) purchases where order below threshold and total invoices above

ACTION – Look into total contact cost relative to awarded value - DIO

General Business

6 6.1 Contract Management Audit
https://infoXpert.edrms/docs/CORPORATE%20MANAGEMENT/AUDITS/2019%20Contract%20Management/Litchfield%20Council%20-%20Contract%20Audit%20-%20v1.7%20FINAL.pdf?Login=True
Discussed and included in Action Sheet

Next Meeting

Scheduled Monday, 18 November 2019, 2pm

AGENDA

PROCUREMENT IMPROVEMENT COMMITTEE MEETING

Notice of Meeting
to be held in Executive Conference Room
on Monday, 18 November, 2019

Nadine Nilon
Director Infrastructure and Operations

Number	Agenda Item
1	Welcome
2	Apologies
3	Disclosures of interest
4	Outstanding Action Items

4.1 Register final terms of reference in InfoXpert folder

RMAC version (ensure TOR include requirement that PIC minutes to go to RMAC) - DIO by November 2019

4.2 Procurement Documents

a) Documents to be reviewed and comments made within documents – All PIC members by Friday 9 November
b) Collate and confirm any items requiring PIC discussion or clarification – DIO by Friday 16 November

4.3 Procurement KPIs

a) Look into ability to obtain reports relating to the below – DCCS by next meeting
   - insufficient quotes *(refer attached)*
   - split orders *(refer attached)*
   - purchases where order below threshold and total invoices above
   Collate and confirm any items requiring PIC discussion or clarification – DIO by Friday 16 November
b) Look into total contact cost relative to awarded value - DIO

5 Ongoing Action Items

5.1 Action Sheet

https://infoXpert.edrms/docs/CORPORATE%20MANAGEMENT/MEETINGS/Procurement%20Improvement%20Committee/PIC%20Improvement%20Actions.xlsx

5.2 Consideration of KPIs for Reporting Purposes

6 General Business

MINUTES

PROCUREMENT IMPROVEMENT COMMITTEE MEETING

Notice of Meeting
to be held in Executive Conference Room
on Tuesday 11th February 2020, 3pm

Nadine Nilon
Director Infrastructure and Operations

Number	Agenda Item
1	Welcome

- Phil Joyce (MIA)
- David Jan (GRA)
- Arun Dias (FM)
- Charissa Monteleone (WA)

2 Apologies

- Daniel Fletcher (CEO)
- Silke Maynard (DCCS)

3 Disclosures of interest

- Nil

4 Outstanding Action Items

4.1 Register final terms of reference in InfoXpert folder

RMAC version within PIC Meeting folder

ACTION: GRA by next meeting

4.2 Procurement Documents

a) Tender Procedure
   a. PIC agree with document content for finalisation
   b. WA to finalise document and let PIC know by 18 February
   c. PIC to present to 20 February Leadership Team meeting

d. Final document to go to ET for approval

b) Procurement Manual

a. PIC agree with document content for finalisation
b. WA to finalise document and let PIC know by 18 February
c. PIC to present to 20 February Leadership Team meeting
d. Final document to go to ET for approval

ACTION: DIO to send to Leadership Team and ET as required to meet target dates.

4.3 Procurement KPIs

a) Reports to be included for next PIC Meeting
- insufficient quotes (FM)
- split orders (FM)
- purchases where purchase order issued below procurement threshold and total invoices resulted above threshold ($10,000, $100,000) (FM to review and confirm)
- total contact cost relative to awarded value (MIA)

ACTION: FM and MIA to prepare as required for next meeting**.**

5 Ongoing Action Items

5.1 Action Sheet

https://infoXpert.edrms/docs/CORPORATE%20MANAGEMENT/MEETINGS/Procurement%20Improvement%20Committee/PIC%20Improvement%20Actions.xlsx

6 General Business

6.1 RMAC Meeting Updates

a) Tender procedure
b) Procurement Manual
c) Contract management system

6.2 Risk Controls

ACTION: GRA and MIA to meet to update relevant actions

7 Next Meeting

Date TBA, May 2020

Litchfield Council Procurement Manual

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Document Control

Version	Description	Approved By	Date
0.1	Draft	Director Infrastructure and Operations	29 October 2019
0.2	Draft	Procurement Improvement Committee	11 February 2020
0.3	Final Draft	Director Infrastructure and Operations	25 February 2020

1 Introduction

Local Government buyers are operating in an increasingly dynamic commercial environment. These demands, combined with the expectations of the general community for higher standards and greater accountability, make consistency in process and documentation control a crucial element of Local Government procurement.

This Manual is designed to help all employees carry out procurement activities efficiently and effectively, in a transparent, fair, legal and ethical fashion. In any event, employees must comply with the requirements of the Northern Territory Local Government Act (The Act) and associated Regulations, Guidelines and General Instructions. This Manual will act as a central repository for procedures, forms and templates (Appendix 1) required for procurement activities.

The Manual is not a replacement for The Act or associated documents. If there is any inconsistency between the content of the Manual and a requirement of The Act, the requirement of The Act, prevails. In other words, in any event, Council must comply with the requirements of the Act and the Regulation.

The Manual does not deal with the disposal of land or goods.

This manual should be read in conjunction the following policies:

- FIN03 Procurement
- FIN10 Fraud Protection
- FIN12 Purchasing Cards
- FIN00 Accounting and Policy Manual
- GOV03 Privacy
- GOV04 Whistleblowing
- HR01 Employee Code of Conduct

1.1 Objectives

This manual has been developed to support FIN03 Procurement policy by providing the procedural requirements needed to implement the Policy objectives and principles. FIN03 Procurement policy serves to:

- provide guidance to Council to allow consistency and control over procurement activities
- demonstrate accountability to rate payers
- provide guidance on ethical behaviour in public sector procurement
- demonstrate the application of elements of best practice in procurement
- increase the probability of obtaining the best outcome when procurement goods and services
- ensure compliance with the Local Government Act and associated Regulations, Guidelines and General Instructions.

The policy identifies the elements of best practice applicable to Local Government procurement. The FIN03 Procurement policy can be found in Councils policy directory and is regularly updated.

1.2 Definitions & Interpretation

Where this manual uses the term *'CEO'*, the approval of that action rests solely with the person fulfilling the role or duties of the Chief Executive (or equivalent) and cannot be further delegated.

Where this manual uses the term *'Delegate',* that action may be approved by the Accountable Officer or an authorised delegate of the Accountable Officer.

The Procurement Rules must be read in conjunction with the Procurement Policy and current Legislation to ensure the Council are compliant in the conduct of their procurement activities.

TERM	DEFINITION
Responsible Officer	Nominated project officer or Council employee responsible for undertaking procurement. The Responsible Officer will have the relevant delegation for procurement activities and will be appropriately trained to meet the requirements of Council's Policies.
Delegate	Person responsible for Responsible Officer relating to the procurement activity (Manager, Tender Panel Chair or CEO as appropriate)
EOI	Expression of Interest
LGANT	Local Government Association of the Northern Territory
RFQ	Request for Quote
RFT	Request for Tender
The Act	Northern Territory Local Government Act, Regulations, Guidelines and General Instructions

1.3 Procurement Lifecycle

The Procurement Lifecycle has three stages and accompanying activities are:

- **Planning** – strategic procurement planning, defining specific procurement needs and planning specific procurement approaches.
- **Sourcing** – the process of inviting businesses and industry to submit offers, and the steps associated with assessing, negotiating and awarding contracts.
- **Contract Management** – systematically and effectively managing contract establishment, execution and closure, including a review of contractor performance and the recording of lessons learnt.

1.4 Document Management

All procurement related documents are to stored in Litchfield Council document management system Infoxpert. All financial documentation is to be appropriately stored in Authority.

2 General Procurement

2.1 Thresholds

Procurement thresholds have been established in Council's FIN03 Procurement policy. These thresholds (incl GST) address the requirements of The Act. A guidelines table for procurement is provided in Appendix 2 for practical reference.

- For purchase up to $1,000 a minimum of one verbal quote is required to confirm the cost prior to receiving the goods. Invoice must be obtained to accompany either credit card statement or purchase order.
- For purchases from $1000 up to $10,000, a minimum of a single quote is required to confirm the cost prior to receiving the goods or services.
- For purchases greater than$10,000 but less than $100,000, a minimum of three (3) written quotes through a written request for quotation containing a detailed scope. The supplier will be chosen from amongst those submitting written quotations.
- All purchases estimated to be greater than $100,000 must be subject to an open advertised tender process.
- For professional services, a minimum of a single quote.

2.2 Procurement Method

Council's procurement activities have been categorised into two levels:

- **Simple:** this includes direct procurement (by corporate purchase card, cash payment) and obtaining verbal and written quotations including medium-sized contracts; and
- **Complex:** this generally involves large-sized contracts and includes public tenders, expressions of interest, compiling an approved contractor list or a preferred supplier arrangement and establishing a register of pre–qualified suppliers.

2.3 Conflict of Interest

All personnel involved in a procurement activity must declare any actual interest and any actual, potential or perceived conflict of interest to their Manager or Delegate.

If a declaration is made, the Delegate must determine any actions arising from identified conflicts with due regard to probity.

2.4 Exceptions and Exemptions

The Council may wish to write to the Department to seek an exemption from tendering and procurement requirements; or enter into a periodic contract longer than three years; or for another matter under the Accounting Regulations. The exemption application should include details of the proposed activity or matter and council's reasons.

The request shall be made with the Local Government (Accounting) Regulations Exemption Form located on the Department of Local Government and Community Services website. Any decision to apply for an exemption from the Regulations is to be made by the CEO after the development of a business case to support the request approved by the relevant Director.

If it is impractical to obtain three written quotations, the Director must sign an exemption from quotation form and record the reasons for the implacability. This information is to be kept in the electronic procurement system attached to the order.

3 Procurement Planning

3.1 Planning

Appendix 2 should be referred to at the commencement of all procurement.

Prior to commencing project specific sourcing activities, the Responsible Officer is to undertake appropriate planning, including:

i. clearly defining the scope
ii. estimating the value of the procurement, inclusive of all applicable taxes
iii. setting appropriate assessment criteria.

The Accountable Officer must consider the value and risk of a procurement activity when determining the level of planning required.

The procurement activity must not be divided or designed into separate phases or parts to artificially reduce the total estimated value for reducing the procedural requirements.

For Tenders and Request for Quotes, the Tender Procedure is to be referred to.

3.2 Collective Procurement

Part 13 Division 2 of the Local Government (Accounting) Regulations allows for Local Governments to engage in collective procurement agreements and sets out the requirements for the establishment of a collective procurement group.

Local Government in the Northern Territory is currently party to a collective procurement agreement facilitated through the LGANT through Local Buy.

3.3 Local Buy

A contractual arrangement established by Local Buy enables Council to purchase a diverse range of goods and services from Local Buy suppliers without tendering.

Local buy is administered by the Local Government Association Queensland and provides an electronic portal to facilitate compliant procurement for Councils in Queensland and the Northern Territory.

While Council is not legally bound to use Local Buy's services, using Local Buy arrangements save significant time and money and are fully compliant with the NT Local Government Act and Local Government (Accounting) Regulations.

The use of a collective procurement contract does not negate the need to adhere to Councils procurement thresholds which are summarised in Appendix 2.

4 Sourcing

4.1 Direct Purchase

In many situations, it is more practical for Council to buy goods or services direct from a selected supplier where the value is under $1,000. Direct procurement is procurement from a single source without first obtaining competing bids. A purchase order is required to be completed for the purchase, except for petty cash and purchase card transactions.

Council officers may be given the authority to make direct purchases either by petty cash or corporate purchase card. These methods of payment are suitable for low value items which are purchased irregularly because transaction costs associated with the reconciliation of petty cash and corporate purchase card receipts can be high.

The Purchasing Cards Policy FIN12 is to be referred to for purchase cards.

The Accounting and Policy Manual FIN00 is to be referred to for petty cash.

4.2 Written Quotation

Written quotes must be obtained where the estimated cost of the purchase is >$1,000 and less <$100,000. As follows:

- One written quote must be sourced >$1,000 but <$10,000;
- Three written quotes must be sourced >$10,000 but <$100,000

Quotations may relate to establishing a Schedule of Rates agreement or to an individual specific purchase.

Quotes may be sourced either in writing through email/letter, or through a formal RFQ Document. Refer Appendix 2 for additional guidance.

Where required, the Request for Quotation (RFQ) document must be developed by the Responsible Officer and reviewed by their Manager (when outside delegation) prior to issue.

For all quotations, the request must be issued in writing simultaneously to all potential suppliers. This ensures that each potential supplier receives an equal opportunity to respond. A reasonable timeframe for response should be clearly indicated on the request.

a. All written quotations submitted be collected as soon as possible after the stipulated closing date and time. A list of respondents' names and addresses should be compiled.
b. Checks should be conducted to ensure that each respondent has fulfilled any compliance criteria set out in the request for quotation.

It is necessary to make a value for money decision in order to select the preferred supplier as the most advantageous respondent. This involves assessing each respondent against any selection criteria included in the request for quotation as well as assessing the cost of each quotation.

If qualitative selection criteria were issued, each response must be assessed against each selection criteria using the same considerations. It is good practice to rank each response. A matrix may be a useful assessment tool. The evaluation process for tenders can also be used in this instance.

Details of the evaluation and supporting documents are to be appropriately recorded. The record should include the number of responses requested and received.

If the responses received do not produce the desired outcome, Council may decide to re-issue the request for quotation. Justification for the decision to re-issue is to be recorded.

4.3 Tenders

All procurement activities >$100,000 must utilise the Tender Procedure.

5 Payment and Variations

5.1 Payment

Payment for work or services is to be approved through the Authority process within approved delegations.

All invoices are to be sent to council@litchfield.nt.gov.au

Payment is only to be approved following verified completion of the work by the Responsible Officer.

Payment requiring approval for a delegated person not the Accountable Officer are to have a memo prepared verifying the completion of the works or services and recommending payment through the relevant delegated officers. All documentation is to be recorded with the transaction in Authority as a minimum.

5.2 Variations

Variations to quoted or tendered works are to be documented and confirmed in writing. Memo's are to be prepared for delegated authority approval in the following instances;

a. Variation results in the price being above available/nominated budget
b. Total (sum of all variations) value is 10% or greater of the quoted price for projects over $10,000
c. When the total of variations results in the procurement threshold being exceeded.
d. Variation of any contract, noting total variation value >5% of the contract price requires CEO approval.

The signed memo is to be saved within the relevant contract/project within InfoXpert.

APPENDIX 1 – LIST OF FORMS AND TEMPLATES

All documents listed below are available within InfoXpert templates and once complete are to be saved within relevant Contract and Project folders in InfoXpert, and Authority

CODE	FORM/CHECKLIST/TEMPLATE NAME
	Quotation Exemption form
	Request for Quote

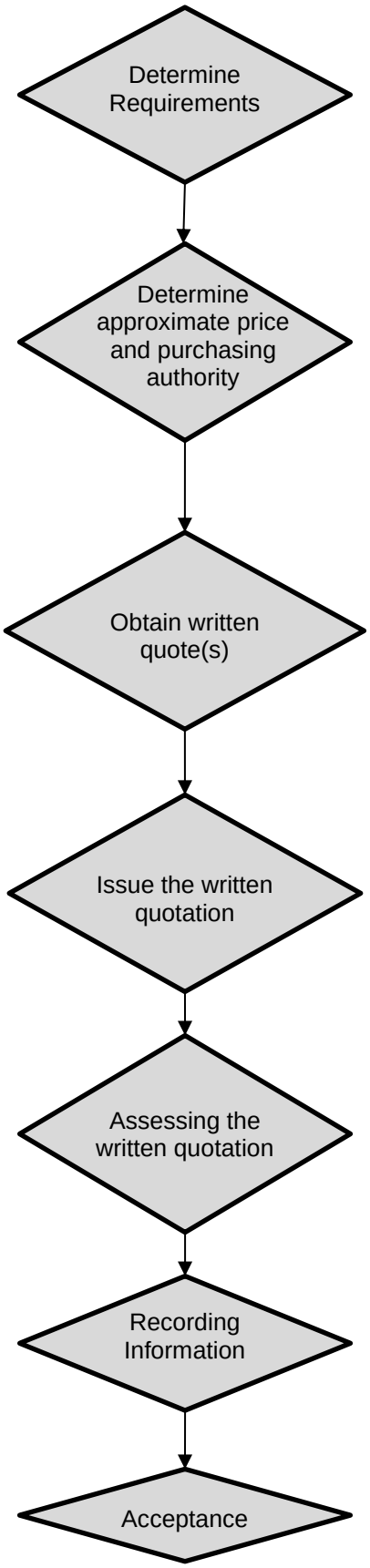
APPENDIX 2 – LITCHFIELD COUNCIL PROCUREMENT GUIDELINES TABLE

Under $1,000 (incl GST)	$1,000 to $10,000 (incl GST)	$10,000 to $30,000 (incl GST)	$30,000 to $100,000 (incl GST)
Supplies/consumables (ie hardware)			
No quote required	Written quote required, confirming items and rates	Unlikely to apply – refer to 'services' if required	
Prices to be confirmed prior to ordering (verbally or through RRP)			
Credit Card payment may be suitable			
Services (ie mechanic, electrician)			
Estimate with agreed rates	Written request from Council with requested service	Written request from Council to 3 contractors, with requested service, including clear scope and expectations and required by date of quote	RFQ prepared and approved by Manager and DIO prior to sending to 3 contractors
Credit Card payment may be suitable	Written quote with agreed rates	Written quotes received from contractors	Written quotes received from contractors
	Where estimate applicable, clear rates and scope required in writing and included on Purchase Order	Assessment of quotes against criteria documented (email to Manager/Director)	Assessment of quotes against criteria and recommendation memo to Director
Works (ie civil, drainage, driveways)			
Refer $1,000-$10,000	Written request from Council with requested service, including clear scope and expectations and required by date of quote	Written request from Council to 3 contractors, with requested service, including clear scope and expectations and required by date of quote	RFQ prepared and approved by Manager and Director prior to sending to 3 contractors
	Written quote received from contractor	Written quotes received from contractors	Written quotes received from contractors

Under $1,000 (incl GST)	$1,000 to $10,000 (incl GST)	$10,000 to $30,000 (incl GST)	$30,000 to $100,000 (incl GST)
	Quote assessed to ensure meets scope requirements	Assessment of quotes against criteria documented (email to Manager/ Director)	Assessment of quotes against criteria and recommendation memo to Director
Urgent Works & Services (ie collapsed road, power outage)			
Agreed rates/price	Agreed rates/price	Unlikely to apply - refer to Manager and Director	
Verbal agreement prior to commencement	Written agreement from Council prior to commencement		
Written follow-up as soon as possible – email ideally with Purchase Order	Purchase Order provided as soon as possible		
	If not possible due to urgency – discuss with Manager/DIO		
Professional Services – Consultants (ie engineering design, legal services)			
Estimate with agreed rates	Written request from Council with requested scope, including clear scope and expectations and required by date of quote	Written request from Council to at least 1 consultant, with requested service, including clear scope and expectations and required by date of quote	RFQ prepared and approved by Manager and DIO prior to sending to 3 consultants (may vary in discussion with DIO)
Purchase Order provided prior to commencement	Written quote from Consultant	Written quote received from consultant(s)	Written quote received from consultants
	Quote assessed to ensure meets scope requirements	Quote assessed to ensure meets scope requirements	Assessment of quotes against criteria and recommendation memo to DIO
Other Notes			
Purchase Order to include all relevant details (ie agreed rates, estimate total) and to be provided prior to commencement (unless credit card payment)	If there is a likely chance that the cost will go over $10,000 for any of these, then the $10,000 to $100,000 procurement process is to be used.	If there is a likely chance that the cost will go over $100,000 for any of these, then the over $100,000 procurement process is to be used.	If there is a likely chance that the cost will go over $100,000 for any of these, then the over $100,000 procurement process is to be used.

Under $1,000 (incl GST)	$1,000 to $10,000 (incl GST)	$10,000 to $30,000 (incl GST)	$30,000 to $100,000 (incl GST)
	Purchase Order provided with agreed price/rates prior to commencement at all times (unless noted otherwise)	Purchase Order provided with agreed price/rates prior to commencement at all times	Purchase Order provided with agreed price/rates prior to commencement at all times
		Exemption to obtaining 3 quotes requires completion of Quotation Exemption Form which must be signed by the Director	Exemption to obtaining 3 quotes requires completion of Quotation Exemption Form which must be signed by the Director

APPENDIX 3 – REQUEST FOR QUOTATION



- Is it goods/services/works?
- How many units/hours?
- What type?-make/model/colour
- Delivery details-time/place/date
- Who will collect/sign for them?

- How much is in the budget?
- How much do you anticipate the requirements costing?
- Does the employee have delegated purchasing authority?

The number of quotes required will depend on the estimated value in accordance with FIN03 and this Manual.

A request for quotation should include all details relating to goods/services and outline criteria for assessment. ion document itself is relevant.

Issue the quotation by email sending the same specification to all suppliers at the same time. A Localbuy procurement contract may be used to source providers of the service/goods required.

There are two stages to evaluating a written quotation:
- Assessing compliance; and
- Assessing criteria and price.

Note reasons for selection and evaluation methodology if applicable.

If outside of delegation, memo to approving officer required
Send written notification of selection or non-selection.
Record all documents in appropriate location

Advise successful supplier and unsuccessful in writing.

Name	[Policy Code] TENDER PROCEDURE
Responsible Officer	Director of Infrastructure and Operations
Approval Date	28/02/2020

1 INTRODUCTION

This procedure outlines the tender process from tender initiation through to contract award.

This procedure should be considered in conjunction with;

- FIN03 Procurement Policy
- Litchfield Council Procurement Manual

Public tenders are required when the value of works exceeds $100,000 including GST.

2 DEFINITIONS

TERM	DEFINITION
Responsible Officer	Nominated project officer or Council employee responsible for undertaking procurement. The Responsible Officer will have the relevant delegation for procurement activities and will be appropriately trained to meet the requirements of Council's Policies.
Delegate	Person responsible for Responsible Officer relating to the procurement activity (Manager, Tender Panel Chair or CEO as appropriate)
EOI	Expression of Interest
LGANT	Local Government Association of the Northern Territory
RFQ	Request for Quote
RFT	Request for Tender
The Act	Northern Territory Local Government Act, Regulations, Guidelines and General Instructions

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4 ROLES AND RESPONSIBILITIES

ROLES	RESPONSIBILITIES
Director	• Preparing annual budgets for works to go out to tender • Nominating a Responsible Officer to undertake tender preparation / project management • Tender Evaluation Panel Delegation Form
Responsible Officer	• Preparing Tender Initiation Form • Preparing Tender Documents • Assist in preparation of TEPP to align with Tender Documents
Contract Administrator	• Allocating an RFT Number / Creating InfoXpert Folder • Entering RFT in Authority / Contract Management system • Providing TEP Delegation Form to Director • Advising TEP and arranging initial meeting • Drafting TEPP and providing TEP with relevant forms for signature • Formatting Tender Documentation • Tender Advertising • Managing Tender Enquiries for Panel Response • Opening Tender Submissions and providing to TEP • Prepare TEP reports template • Preparing and sending notifications to contractors • Registering documentation
Tender Evaluation Panel (TEP)	• TEP is convened as soon as a project brief is approved prior to project commences • Confirming the Tender Evaluation Probity Plan • Agreeing on tender assessment criteria and weighting • Reviewing tender submissions • Complete TEP report • Providing award review, comments and recommendation to Contract Administrator
InfoXpert	• InfoXpert is Litchfield Council Enterprise Document Management System. All documentation relating to significant procurement activities (>$10k) is to be stored in InfoXpert for audit and knowledge transfer purposes.

5 CONTRACT TYPES

5.1 Project Contract (Capital Works)

The CEO, Directors and Responsible Officers identify potential projects for the forthcoming budget period.

Capital Project Request Forms (T01) should be completed by the Responsible Officer and submitted to the Finance Department following Director approval. The Capital Project Request Form identifies the project scope, purpose and budget request.

Upon adoption of Council's annual capital works budget, Responsible Officers determine the annual capital works schedule and plan for project delivery. The Director and Responsible Officer determine whether the project will be carried out by a project contract (requiring tender process), period contract and/or consultancy.

Document Template	
T01	Capital Project Request Form

InfoXpert 1 ROADS AND DRAINAGE > REPORTING > 20XX-20YY Budget Case

5.2 Period Contracts and Panel Period Contracts

As identified in the Procurement Manual, Period Contracts and Panel Period Contracts are to be used for high value, high risk contracts such as roads maintenance where the specifications of the task are known but the quantity will be determined throughout the term of the contract and will be impacted by demand for the task and budget allocation.

Period contracts will be let using the tender procedure, requesting a schedule of rates to perform the specified works.

The Contract Administrator monitors Period Contracts and identifies those that are due for renewal. The Contract Administrator advises the relevant Responsible Officer accordingly. The Responsible Officer should carry out a review of the contract and commence a renewal process in consultation with the Director.

6 PROCUREMENT PLANNING

Prior to commencing any procurement activity, it is important to undertake procurement planning and market analysis to ascertain suppliers and contractors in the local area that have the skills, capacity and resources to deliver the required services. Market analysis strategies may include:

- Discussion with other Councils in the area that may have established arrangements for similar services;
- Searching the Local Buy supplier register through the Local Government Association NT Website;
- Search of the ICNNT database;
- Discussion with NT Government agencies and organisations (Dept of Infrastructure); and
- Web searches

Procurement Planning is also to meet the requirements of Council's Procurement Manual.

7 STAGE 1 - TENDER INITIATION

7.1 Tender Initiation Form

When a tender is required the Responsible Officer completes the Tender Initiation Form (T02) and provides this to the Contract Administrator.

The Contract Administrator is responsible for allocating a Tender Number, Entering the RFT into the Authority Contract Management Module, and requesting a Tender Folder to be set up by the Records Management Officer. The Contractor Administrator provides this completed Tender Initiation Form (T02) along with the Tender Evaluation Panel Delegation Form (T03) to the relevant Director.

Document Template	
T02	Tender Initiation Form

InfoXpert 2 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Evaluation

7.2 Tender Evaluation Panel (TEP)

Under Litchfield Council's Procurement Policy FIN03 - Section 4.6 the composition of any Tender Evaluation Panel is to consist of the Council Executive Team or their nominated delegates and the Responsible Officer:

- Chief Executive Officer (CEO);
- Director Infrastructure and Operations (DIO);
- Director Community and Cooperate Services (DCCS); and
- Responsible Officer

The Tender Evaluation Panel must be convened as soon as practicable following a project brief being approved. The TEP must comprise a minimum of three positions with a range of skills appropriate to adequately evaluate the type of tender that is being assessed. The TEP may identify the need for assistance from consultants with specialist skills outside Council which may be required to assist in tender evaluations. The TEP will decide what role an outside consultant will play in the evaluation process i.e.: non-scoring technical review only or scoring member of the TEP. All outside consultants must sign and submit declaration of conflict of interest and non-disclosure statement.

7.2.1 Role of the Tender Evaluation Panel

The role of the TEP is to ensure the tender process is undertaken in compliance with Council Procurement Policy and Procurement Manual and ensure the process is fair, transparent and reflects value for money, in doing so the TEP shall undertake the following:

- Ensure all members of the TEP have completed and submitted Conflict of Interest and Declaration of Confidentiality forms;
- Establish a tender evaluation timeline and meeting schedule;
- Review the tender initiation form for completeness;
- Develop a specific tender evaluation plan for the procurement activity covering probity requirements, evaluation criteria and weightings, and the evaluation methodology;
- Review the RFT documentation for complete and correctness prior to releasing to market. RFT document process must include Executive oversight;
- Undertake pre-evaluation meeting to confirm tender evaluation timeline and meeting schedule;

- Undertake individual assessment of all tender submissions;
- Convene to check respondent referees;
- Convene to undertake shortlisting or combined evaluation to arrive at a consensus and successful tenderer;
- Chair of the TEP will draft the tender recommendation and associated documentation for delegated approval;
- Ensure that all meetings are documented, and the minutes stored in the EDMS

The complete form should be returned to the Contract Administrator. The Contract Administrator is responsible for registering the documentation and advising the 3 nominated panel members.

Document Template	
T03	Tender Evaluation Panel Delegation Form

InfoXpert 3 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Evaluation

7.3 Tender Evaluation Panel (TEP): Pre-Tender Meeting

An initial TEP meeting shall be set up by the Responsible Officer or Contracts Administrator for the TEP to determine the Tender Assessment Criteria, confirm the Tender Documentation, complete and sign the Tender Evaluation Probity Plan (T05) and sign the declaration for Conflict of Interest and Confidentiality (T06)

Document Template	
T04	Convening of Tender Evaluation Panel

InfoXpert 4 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Evaluation

7.4 Tender Assessment Criteria

The tender assessment criteria must be included in the tender documentation. Specific weightings are not. In preparing the tender assessment criteria, consideration needs to be given to Council's Procurement Policy FIN03 - Section 4.3 Demonstrate Sustained Value.

The weightings are assigned by the Tender Evaluation Panel and are identified in the Tender Evaluation and Probity Plan (T05).

7.5 Tender Evaluation and Probity Plan (TEPP)

The Tender Evaluation and Probity Plan (T05) is the planning and control document in conducting the evaluation of tenders received in response to the Request for Tender. The TEPP sets out;

- The processes and principles to be followed when evaluating tenders
- Individual's responsibilities
- The evaluation schedule (criteria) and methodology
- Reporting requirements

Document Template	
T05	Tender Evaluation and Probity Plan

InfoXpert 5 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Evaluation

7.6 Confidentiality and Conflict of Interest

The Tender Evaluation must not have any conflicts of interest that would or may appear to adversely affect the impartiality of the tender assessment process.

All members of the Tender Evaluation Panel, advisors and other staff directly involved in the tender and evaluation processes must sign a *Conflict of Interest and Confidentiality Declaration* prior to receiving the tenders.

The declaration (T06) can be signed during the meeting to confirm the Tender Evaluation and Probity Plan. Any changes to circumstance that could affect the original declaration must be declared immediately.

Any potential conflict of interest must be declared. The decision as to whether the identified conflict is material, and whether any mitigating arrangements are required, is to be made by the Chief Executive Officer.

Document Template	
T06	Conflict of Interest and Confidentiality Declaration

InfoXpert 6 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Evaluation

8 STAGE 2 - TENDER DOCUMENTATION PREPARATION

8.1 Document Management

Good document management demonstrates good governance, ensures transparency and transfer of project knowledge across all involved stakeholders and Council.

At the commencement of any significant procurement activity appropriate folders are to be created in InfoXpert. The table below defines typical folders to be created, documents that must be stored in the folder and level of security.

FOLDER TYPE	TYPICAL DOCUMENTS	LEVEL OF SECURITY
Project Management	• Planning documents • Business cases • Correspondence relating to the project • Project related studies • Project Brief	Access all
Tender Management	• Tender Initiation form • Declaration of Conflict of Interest/Non-disclosure forms • Probity Plan (if applicable) • RFQ • RFT • Scope of works • Technical specifications • Tender estimates • Tender release correspondence	Access all
Tender/Quotation Evaluation	• Tender opening form • Tender/Quotation submissions • Tender/Quotation evaluation documents • Tender/Quotation award correspondence	Chief Executive Officer Finance Manager Tender evaluation panel
Contract Management	• Successful contractors' submission and all documents that form the contract • Contract management checklist • Contract management plans • Work, health and safety management plans • Environmental management plans • Start meeting minutes • Contract review meeting minutes • Progress claims • Request for quotation for variation form • Variation approval form • Certificate of practical completion • Defect liability period commence letter • Final handover certificate • Certificate of final completion • Transition to maintenance form • Post implantation review/project close out procedure	Access all

8.2 Contract Types

Council uses but is not limited to the following contract types:

- Construction / Project Contracts
- Period / Panel Period / Service Contracts
- Supply Contracts

8.3 Tender Document Content

Contract documents are derived from Council's tender documents. Tender documents, which are prepared to enable prospective tenderers to tender Council work, generally comprises the following:

- PART A - Information for Tenderers
- PART B - Conditions of Tender
- PART C - Conditions of Contract
- PART D - Response Schedule
- ATTACHMENTS – Schedule of Rates / Technical Specifications / Drawings

Where possible Council has developed standard documentation for its tenders and contracts. The Tender Documents are made up of the following parts:

PART A - Information for Tenderers

This Section provides background information.

PART B - Conditions of Tender

This Section specifies the tendering process and conditions of tendering and describes the selection criteria that will be applied in the evaluation of tenders received.

PART C - Conditions of Contract

This Section comprises the general Conditions of Contract to which the successful Tenderer will be bound.

PART D – Response Schedule

This Section comprises the Tender Return Schedules on which Tender responses must be submitted.

8.4 Preparing and Finalising Tender Documents

The Responsible Officer is responsible for ensuring the preparation of the technical specification and drawings for the tender. The documents should be reviewed by a Director and the Tender Evaluation Panel (as required), prior to finalising.

The Contract Administrator should undertake a final quality review and formatting.

Release of tender must be approved by the director.

9 STAGE 3 – TENDER ADVERTISING & MANAGEMENT

9.1 Tender Advertising

The tender advertising period is determined by the Responsible Officer. The following timeframes are a suggested guide for minimum periods;

- Minor works and services 2 weeks
- Major civil works and services 3 weeks
- Major civil and building works (+$500K) 4 weeks

The Contract Administrator is responsible for releasing the tender on:

- Tenderlink (using the following link www.tenderlink.com/litchfield
- Advertising in the NT News; and
- Publishing on the Council Website

The Contract Administrator in close consultation with Community Engagement Advisor will prepare advertising material based on the information provided. Community Engagement Advisor will arrange upload of advertising material on Facebook and the Council website as appropriate.

9.2 Tender Briefing

Where the Responsible Officer has determined that a tender briefing is required, the Contracts Administrator will arrange the tender briefing, ensuring that all tender document recipients are made aware of the date, location and time.

The Responsible Officer will conduct the briefing. Minutes of the tender briefing will be taken by the Contracts Administrator, with copies sent to all tenderers.

Tender documents will clearly stipulate whether the tender briefing is mandatory or not.

9.3 Tender Enquiries

All tender enquiries are to go through the Contracts Administrator. In the cases where the enquiry needs to be referred to technical staff and the enquiry requires information that may have a bearing on the tender price, the nature of the clarification or issue information is to be recorded and supplied to all parties who were issued the tender documents.

9.4 Addenda

If an addendum is necessary, it is prepared by the Contract Administrator in conjunction with the Responsible Officer.

All registered document recipients will be sent the addenda in enough time before the closing date of the tender. If the addend is issued within a week of the tender closing date, the tender closing time may be extended by one week from the date the addenda is issued.

9.5 Extension of Tendering Period

Requests of extensions must be assessed and approved by the Chairperson of the Tender Evaluation Panel.

9.6 Late Tenders

Late tenders will be treated in accordance with the 'Late Tenders' guidance provided in the RFT 'Conditions of Tender' (Clause 17.4);

"Tender responses are to be received, in full, by the time and date for the closing of the RFT. Failure to lodge a Tender Response, or part thereof, before the time and date for closing of the RFT may result in the Tender Response being declared inadmissible for assessment."

10 STAGE 4 – TENDER SUBMISSIONS

10.1 Tender Opening

The Contract Administrator is responsible for opening tenders in the presence of two (2) witnesses. Each person must sign the Tender Opening form (T07).

Document Template	
T07	Tender Opening

InfoXpert 7 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Tenders Received

10.2 Tender Receiving/Distribution

The Contracts Administrator provides a copy of all tenders to each member of the Tender Evaluation Panel, along with the Tender Evaluation Scoring Template T09a, and they must sign a declaration (T08) acknowledging receipt of all submitted tenders.

Document Template	
T08	Tender Documents Received

InfoXpert 8 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Tenders Received

11 STAGE 5 - TENDER EVALUATION

11.1 Tender Evaluation

It is essential that evaluation of tenders is undertaken in an expedient manner whilst having regard for due diligence and adherence to the procurement process. All tender evaluation panel meetings are to be recorded on the Tender Evaluation Committee Meeting Form (T04) and cross reference with Tender Evaluation Scoring template T09a and T09b. All meeting minutes and evaluation records must be stored in the appropriate folder in InfoXpert.

Each member of the Evaluation Tender Panel must individually assess the tender submissions in the first instance. Individual scores and comments must be recorded in the Tender Evaluation Scoring template (T09a).

At completion of individual scoring the Tender Evaluation Panel will convene to:

a) Undertake referee checks for each tenderer (At least two members of the TEP must be present when undertaking referee checks). All referee reports are to be recorded and stored in the appropriate folder in InfoXpert;
b) Consider individual scoring and comments and reach a consensus score (T09b) for all offers using the weighted evaluation criteria taking into consideration referee comments. The Tender Evaluation Panel must ensure that enough information is recorded to justify the consensus scores.

It is essential that the combined evaluation meeting be convened as soon as reasonably practical after each Evaluation Panel member has completed their individual assessment.

The scoring of tenders will be based on the degree of achievement by the tenderer of the requirements set out in the RFT. A score out of 10 will be allocated to each criterion. The *Tender Evaluation and Probity Plan* includes a table that identifies the scoring allocation.

The TEP may undertake negotiations with any tenderer concerning the impact of additions, deletions or amendments to the Technical Specifications. Clarification may be sought by the Chairperson.

Document Template	
T09a	Tender Evaluation Scoring – Individual
T09b	Tender Evaluation Scoring – Combined

InfoXpert 9 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Evaluation

11.2 Tender Evaluation Panel Report

The Contracts Administrator is responsible for developing the Tender Evaluation Report (T10) for the CEO or Council. The TEP members are responsible for reviewing and finalising this report.

If the Tender Award Price is less than $500,000 the CEO has delegated approval.

If the Tender Award Price is greater than $500,000 a Council decision is required.

Document Template	
T10a	Tender Evaluation Report Award (CEO) Confidential
T10b	Tender Evaluation Report Award (Council) Confidential

InfoXpert 10 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Evaluation

12 STAGE 6 - CONTRACT AWARD

12.1 Notification

The Contract Administrator is responsible for preparing and sending out notification letters (T11 & T12).

The successful tenderer should be contacted prior to sending the letter and Contract Deed of Agreement.

For Period Contracts, respectfully contact or meet with incumbent contractor if they are unsuccessful. Prior to sending letters to the successful tenderer (if different).

Document Template	
T11a	Successful Tender Letter (CEO approval)
T11b	Successful Tender Letter (Council approval)
T12a	Unsuccessful Tender Letter (CEO Approval)
T12b	Unsuccessful Tender Letter (Council Approval)

InfoXpert 11 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Notifications

12.2 Contract Agreement

The Contract Administrator is responsible for sending the formal contract agreement (T13) to the successful contractor for signature and ensuring the returned copy is registered.

Document Template	
T13	Formal Contract Agreement

InfoXpert 12 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Contract and Variations

Once the letters have been sent, notify the Community Engagement Officer to update the website.

12.3 Contract Agreement

The Contract Administrator should ensure all tender documents that make up the contract are located in the following folder:

InfoXpert 12 Z REFERENCE LIBRARY > TENDERS > RFTYY-NNN > Contract and Variations

13 TENDER PROCESS FLOW CHART

RMAC REPORT

Agenda Item Number:	8.3
Report Title:	Risk Register
Report Number:	
Meeting Date:	11/03/2020
Attachments:	Attachment A – Risk Register Attachment B – Controls updated since last report to RMAC Attachment C – Procurement policies and procedures control status report.

Purpose

To update the RMAC on risk profile, control and actions status as identified in the Strategic Risk Register.

Summary

The full Litchfield Council strategic risk register is attached (Attachment A). The summary dashboard provides updates as to the progress in implementing actions. There is a total of 33 actions with,

- Four actions complete
- Eight new actions, and
- Twenty-one actions on going.

A workshop held with the Leadership Team on 28 February 2020 reviewed the risk and control ratings with the updated ratings applied and available below. This review resulted on the control rating for RP6 being reviewed from inadequate to adequate due to the progress on implementing the ICT Improvement Plan.

Risk Profile	Risk	Control
RP1 - Misconduct	Moderate	Adequate
RP2 - Business and Community Disruption	Moderate	Adequate
RP3 - Inadequate Environmental Management	Low	Adequate
RP4 - Errors, Omissions, Delays and Incorrect Advice	Moderate	Adequate
RP5 - External Theft and Fraud (inc. Cyber Crime)	Moderate	Adequate
RP6 - ICT Systems and Infrastructure Failure	Moderate	Adequate
RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements	Moderate	Adequate
RP8 - Inadequate Safety and Security Practices	High	Inadequate
RP9 - Ineffective and Unsustainable Financial Management	Moderate	Adequate
RP10 - Ineffective Management of Public Facilities / Venues / Events	Moderate	Inadequate
RP11 - Inadequate Records Management Processes	Moderate	Adequate
RP12 - Inadequate Project/Change Management	Moderate	Inadequate
RP13 - Inadequate Engagement Practices	Moderate	Adequate
RP14 - Inadequate Procurement / Supplier / Contract Management	High	Inadequate
RP15 - Inadequate Asset Sustainability Practices	High	Inadequate
RP16 - Ineffective HR Management / Employment Practices	Moderate	Adequate

There are now five risk profiles where the risk appetite is not yet achieved. That is, the control ratings are not commensurate with acceptance of the identified risk. This is one less than the previous report to RMAC. Work continues on actions to address control ratings and potentially the risk level. A further risk rating review will be conducted towards the end of 2020.

There is a total of 221 controls, one less than previous report due to removal due to overlap of control with another. A summary of control ratings compared to the previous report is provided below.

Control ratings Sep 2019		Control Ratings Feb 2020	
Row Labels	**Count of Control Rating**	**Row Labels**	**Count of Control Rating**
Unrated	17	Unrated	0
Adequate	141	Adequate	149
Excellent	21	Excellent	29
Inadequate	43	Inadequate	43
Grand Total	**222**	**Grand Total**	**221**

Recommendation

THAT RMAC

1. Note the updated strategic risk register; and
2. Note the completed actions in the Risk Dashboard of the Strategic Risk Register, which will be removed from the action list with controls to be added where required.

Background

Attachment B provides a list of controls which have been updated since the last risk register report. These controls have either had a rating applied as previously there was none or had the control rating reviewed and updated where required.

Actions required from previous business as per item 5 of this agenda

Asset management Plans
Item 8.1 of this agenda provides an update on the progress towards developing asset management plans. This initiative will result in the improvement of the control rating for RP15 – Inadequate Asset Sustainability Practices and further review may result in a down grading of the risk level once the treatments are complete.

Payroll Audit
Recommendations from the payroll audit have been incorporated into the risk register in the following manner.

- Most recommendations are addressed through current controls
    - RP4 Documented Operational Procedures / Checklists
    - RP4 & RP9 Segregation of Duties (Financial Control)
    - RP9 Finance Policies
    - RP16 HR Policies
- New controls added
    - RP9 Annual review of financial manuals and procedures. Control rating set to inadequate until new treatment below is complete
- New treatments added
    - RP9 Review Payroll procedures

Contract Management Internal Audit
There are two current treatments which will address recommendations from the audit.

- Establish Council project management methodology and
- Develop a contract management system.

The manager for Infrastructure and Assets is responsible for the Contract Management System control which will be impacted by the treatments.

Procurement Improvement Committee
All actions referred to in Item 8.2 of this agenda are catered for in existing RP14 control – Procurement policies and procedures. Control status report is attached (Attachment C).

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

This paper is consistent with FIN08 Risk management and FIN09 Risk management and Audit Committee. The risk management framework meets Council's risk management compliance requirements.

Risks

NIL

Financial Implications

NIL

Community Engagement

NIL

Recommending Officer: **David Jan, Governance and Risk Advisor**

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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 of 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.

Litchfield Council Risk Dashboard Action Status Report

RP1 - Misconduct		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**		**Comments & Review History**

RP2 - Business and Community Disruption		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**		**Comments & Review History**
Develop Council Business Continuity Framework and Action Plan	Jun-18	Gov & Risk Adv		7 August 2018 Item not on track. Research into existing frameworks at other Councils conducted. Investigated potential for consultancy to complete this action. February 2019 No further progress. The emergency management plan has been updated and will include consideration of business continuity in relation to cyclone imapcts. The creation of a whole of Council Business Continuity plan will have to be developed in house as resources permit. September 2019 No further progress February 2020 Quote received from JLT to conduct 2 workshops and generate BCF for Council. Includes one session of scenario planning to test the framework. This action is linked to RP6 ICT continuity plan

RP3 - Inadequate Environmental Management		Risk	Control	
		Low	Adequate	
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**		**Comments & Review History**
Weed Management Plan updated	Aug-18	MWF Mgr		February 2019 A submission for an NTEPA Environmental Grant has been made. Awaiting notification regarding the grant funding prior to proceeding. Proposed target (subject to funding) – completion by July 2019 September 2019 No further progress November 2019 FIrst grant declined submission in development for for second application. February 2020 COMPLETE - Council has a current weed management plan which whilst old is still considered fit for purpose. This action is subject to grant funding which will be continually explored. Advice from Director of Infrastructure and Operations is that this item should be considered as complete as there is no indication of when funding will be available.
Develop Berry Springs Waste Transfer Station Envoronmental Mgt Plan	Apr-20	Waste Mgr		November 2019 New Action. Waste Management Plan control renamed to Environmental Management Plans to be consistent with requirements for EPA Lisence. Once Berry Springs WTS plan is complete control will be updated to Adequate. February 2020 In progress

Litchfield Council Risk Dashboard Action Status Report

RP4 - Errors, Omissions, Delays and Incorrect Advice		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Formalise Procedures, Documentation and Checklists for Core Operations - Waste	Oct-18	Waste Mgr	due date reviewed from June 2018 7 August 2018 Consultant engaged to review and update documentation with waste manager. Site visits scheduled for August 2018 8/11/2018 Links to WHS audit - operational review commencing in August - Glen to review existing procedures and prepare for what needs updating February 2019 Operational review complete with recommendations being incorporated into procedures and documentation. Existing procedures have been collated and are being scheduled for review. Proposed target – completion of collation of documents and schedule for updating by April 2019 September 2019 No further progress February 2020 All procedures have been reviewed, updated and made available in the procedures reference library. Pre start checks are current. The licencing of Humpty Doo and Howard Springs requires an Environmental Management Plan to exist for each site. These include a number of checklists for each site that need to occur. The checklists have been incorporated into the tasks of gatekeepers and other staff as relevant. ITEM COMPLETE
Formalise Procedures, Documentation and Checklists for Core Operations - Finance	Jun-18	Finance Mgr	7 August 2018 Item incomplete. Gov and Risk Advisor to meet with manager to develoip plan for completion Febraury 2019 Procedures correlated and prepared, yet final review outstanding before taks completed. September 2019 No further progress February 2020 In progress Expect completion by July 2020
Formalise Procedures, Documentation and Checklists for Core Operations - Works	Apr-18	Mgr Inf & Assets	due date reviewed from March 2018 8 May 2018 Not on schedule due to increased workload resulting from impact of cyclone Marcus. Overdue 7 August 2018 Item incomplete. Governance and Risk Advisor to meet with manager to develoip plan for completion February 2019 Collation of documentation and preparation of 90% of documentation complete. Proposed target – completion by March 2019 September 2019 No further progress February 2020 In progress. Expect completion by July 2020
Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv	Sep-18	DCCS	February 2019 In progress. Library procedures to be included. Expect finaalisation August 2019 September 2019 No further progress February 2020 Draft procedures for events developed and under review
Review the CRM system	Oct-18	DCCS	8/11/2018 establishment of the SERVICE Committee for Customer Service Charter, Review of CRM process to follow September 2019 Terms of reference established for SERVICE Committee which has only met once to date February 2020 In progress

Litchfield Council Risk Dashboard Action Status Report

RP5 - External Theft and Fraud (inc. Cyber Crime)		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**		**Comments & Review History**
RP6 - ICT Systems and Infrastructure Failure		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**		**Comments & Review History**
Undertake private cloud hosting cost benefit analysis for internal systems (Item 2.1.3).	Feb-20	Info Mgr		September 2019 New Action February 2020 As per the Azure proposal from Fourier, and associated Documentation from Azure, cost analysis complete. Some follow on documentation to be prepared and available in Late February/Early March. Due Feb 2020, adjust to March 2020.
Implement Business Systems Review and develop Roadmap (Item 3.1.1)	Dec-19	Info Mgr		September 2019 - New Action February 2020 Parallel with the recommendations around Azure proposal and strategic planning around ICT (ie reduced architecture and reliance on on-premise servers and asset management, Business System Review planning to take place in 2020. Documentation and information from external sources to be secured in March 2020, with Draft Documentation due in April 2020. Due May 2020
Develop high level business continuity plan (BCP) and Disaster. (Item 5.2.1)	Dec-19	Info Mgr		September 2019 - New Action February 2020 As per discussions with Governance and Risk Advisor – ICT BCP to be done in conjunction with overall BCP. BCP to drive the ICT Disaster Recovery documentation and recommendations. Due Date May 2020. Quote received from JLT to conduct 2 workshops and generate BCF for Council. Includes one session of scenario planning to test the framework. IT Buisnes Continuity Plan commenced and will be incorporated into the whole of Cuncil framework.
Mitigate legacy software platforms (Windows Server) (Item 5.1.4)	Feb-20	Info Mgr		September 2019 - New Action February 2020 As per the Azure proposal from Fourier, recommendations for a re-architecture include the removal of legacy platforms from Servers. Due Date June 2020.
Develop Unified Communications (Voice/Video/Data) – Telecommunications plan. (Item 2.1.4)	Feb-20	Info Mgr		September 2019 - New Action February 2020 VOIP phones and backup internet to HSWTS, HDWTS. LCO moved to VOIP. Thorak and Taminmin Library to have adequate internet backup and VOIP phones solutions outlined. Investigations to cloud telephony solutions to be outlined. Documentation and Plan to be compiled in April 2020. Due Date May 2020.
Upgrade current projector/screen with integrated remote wireless AV system (Video Conf Ready) (Item 2.3.1)	Feb-20	Info Mgr		September 2019 - New Action February 2020 Scope is complete trhrough consultation with CEO and EA to CEO, quotes are being sourced. Expect completion and instalation prior to end of financial year. RFQ released 24/02/2020, with a return date in early March 2020. Project to be completed and invoiced prior to EOFY 2020. Due Date June 2020.
RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements		Risk	Control	
		Moderate	Adequate	
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**		**Comments & Review History**

Litchfield Council Risk Dashboard Action Status Report

RP8 - Inadequate Safety and Security Practices		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Review Existing Safety Practices and Develop Council Safety Management Systems	Sep-18	HR Advisor	February 2019 Updated WHS policy and procedures. Implemented updated forms and reporting requirements, trianed staff on updated policy and procedures. WHS register implemented. September 2019 Contract let to Lattitude 12 to develop a WHS system to be completed by October 2019 November 2019 Draft WHS management plan complete and undergoing feedback prior to implementation. Once endorsed this plan will impact on several controls (RP3 Environmental Management/Response Plans, All RP8 controls , February 2020 Plan is complete. With the resignation of the Records Officer an opportunity exists to restructure and emply a specific WHS resource to implement the actions detailed in the plan

RP9 - Ineffective and Unsustainable Financial Management		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Finalise Rating Policy and Undertake Review of Rating System	Mar-18	DCCS	8 May 2018 Business paper to be presented to Council for approval to establish Community Reference Group at the May Council meeting. Project will go over the term of this year and should be finalised with a policy approved in April 2019. Council will be adopting a project plan. Recommend changing due date in line with project plan according to Council decision 7 August 2018 Council noted the rating review report at its May 2018 meeting. A budget allocation has bee included for 2018/19 to conduct community engagement through the establishment of a Community Reference Group (CRG). Recomendations from the CRG will be put to Council in time for inclusion in the 2020/21 budget development process. November2018 Community Ref.Group for Rating Review to be estblished Dec 2018, Project plan approved by Council, Finalisation Dec 2019 September 2019 Ref group meetings undertaken and position paper prepared for community consultation scheduled for November 2019 February 2020 Draft rating policy presented at Feb Council meeting for adoption. ITEM COMPLETE
Review Developer Contribution Plan	Jun-18	Plan & Dev Mgr	7 August 2018 Consultants have prepared a draft Developer Contribution Plan. Planning and Development Manager is currently reviewing for preperation to Council in October. February 2019 The new Developer Contribution Plan continues to be developed. Updates have been provided to Council. The detail of the contribution plan is 80% complete following a review of asset data and requirement of works assessment. Legal advice is required to be obtained and instructions for advice are being prepared. This is a complex project that has legislative requirements in its content and delivery and therefore is being processed in a manner to minimise the risk to Council of the plan being insufficient. Current target – completion by July 2019 November 2019 Council's revised Developer Contribution Plan is currently under development and nearing completion. However, recently proposed amendments to the NT Planning Act propose changes to how fees noted within a DCP can be collected. It is also understood that updated Regulations that will accompany the amendments to the Act will result in changes to which assets Council can collect money for within a DCP. The proposed changes are expected to be of benefit to Council, allowing Council greater ability to collect fees from development contributing to upgrades and to collect money for all infrastructure assets requiring upgrades. Any DCP or changes to a DCP is required to undergo a 28-day public consultation prior to adoption. As a result, it is considered prudent to continue to develop the DCP with the proposed changes in mind. Then the finalised plan can be publicly exhibited and adopted once the changes are made to the NT Planning Act and associated Regulations. At this time, it is understood that the intention is for the updated Planning Act to be adopted in mid 2020, with the Regulations to follow shortly after. Legal advice is to wait until new act is passed then prceed with adoption. Expect completion September 2020. February 2020 Updates to Planning Act are due to be enacted by June 2020. Once enacted updates will need to be made to plan. Expect completion by October 2020

Litchfield Council Risk Dashboard Action Status Report

Implementation of Procurement Audit Findings	Jun-18	DCCS	7 August 2018 1. Councils procurement policy has been updated of which the draft document (attached) is presented for RMAC endorsement. Updates to the current policy include, a. inclusion of provisions for the appointment of a probity advisor by the Tender Evaluation Panel (TEP) b. removal of procedural items to be included in a procurement procedures document, and c. clarifying the documenting of justification when it is impractical to obtain three written quotations. Detailed references to legislation remain in the policy document due to the importance of ensuring all staff understand the context of the policy in relation to the legislation and their responsibilities. 2. Development has commenced on a procurement manual (table of contents attached). This manual will provide procedures for all Councils procurement activities including forms, templates and checklists. Procedural items from the current policy will be included. 3. Key procurement personnel (Works Controller and Asset Management Officer) have attended a three-day procurement training session hosted by the Local Government Association of the Northern Territory. November 2018 Procurement Policy Reviewed, Procurement manual in development, Responsiblities reviewed, Implementation of Roadmap February 2019 The Executive team are currently reviewing procurement responsibilities within the current organisational structure and capacity. This action will be refined with specific actions for implementation. August 2019 Procurement Improvement Committee established and progress. Report presented to RMAC at August meeting with progress on actions. Februrary 2020 PIC minutes presented to RMAC at March meeting with progress.
Implementation of Works Permit Audit Findings	Oct-18	Plan & Dev Mgr	February 2019 95% complete – all internal processes have been reviewed, updated and refined in accordance with audit findings. Completion of final documentation is underway. Proposed target – completion by March 2019 February 2020 An outcome of the workshop that was held resulted in all works permits being through the Planning and Development Department. This has resulted in a clear process being in place and information being stored appropriately in a single location, and is no longer 'across' departments. ITEM COMPLETE
Asset management plans in progress	Jul-18	Mgr Inf & Assets	7 August 2018 The Thorak Cemetry asset management plan is drafted and with the Director of Community and Corporate Services for review. Once this has been developed it will be used as a template for plans for other Council assets (Council offices, Waste Transfer Stations, MWF workshop etc.). This action will be replaced by individual actions for each asset management plan to be developed. 3 October 2018 1. Thorak Regional Cemetery – to be presented at Thorak Regional Cemetery Board meeting in September 2018 2. Roads – AMO is collecting background information now and will be drafted by November 2018 3. Plant & Equipment – Not yet to start but will be prepared by December 2018 4. Driveways – Not yet to start but will be prepared by December 2018 February 2019 Scheduled for all plans is in place and progressing 1. Thorak Regional Cemetery 2. Roads – Asset Management Plan (AMP) drafted – critical elements to be considered through budget consideration process prior to finalising 3. Plant & Equipment – AMP drafted and replacement schedule being utilised to inform budget process 4. Driveways – AMP data collection, checking and updating underway Proposed target – the asset management plans are progressing to a schedule, with a target completion of December 2019 for all plans September 2019 Update on proposed targets to be presented to RMAC in Feb 2020 February 2020 Report presented to March RMAC meeting
Review payroll procedures	Jun-20	Finance Mgr	February 2020 New Action

Litchfield Council Risk Dashboard Action Status Report

RP10 - Ineffective Management of Public Facilities / Venues / Events		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Formalise Public Places By-Law	Jun-19	DCCS	7 August 2018 No progress to date on this item as meeting procedure by-laws are still in development. A needs assessment will be commissioned to ascertain the I it is still beneficial for Council to proceed with the development of these by-laws. November 2018 Seeking Consultant to guide workshop with elected members in May 2019 February 2019 This action is on hold pending the establishment of meeting procedure by-laws. February 2020 New consultatnt approached to facilitate workshop which will review Council's intent and capacity in line with updated NTG planning regs may impact this action.
Review Reserve Management Leases and budget requirements	May-18	DCCS	8 May 2018 New lawyer contracted for support, leases to be ready for discussion with reserves in October 2018 7 August 2018 Draft lease received from Lawyers. November 2018 Draft leasse developed, started correspondence with Reserve Committees February 2019 Lerase templates approved by Council and discussions with 3rd parties held. Exepect completion August 2019 depending on availability of reserve committees. September 2019 On hold due to Interim CEO duties of DCCS February 2020 Draft leases and funding agreements to be discussed with reserve management boards.
Develop Inspection/Maintenance program	Jun-18	Mgr Inf & Assets	7 August 2018 Schedules have been completed and are with the relevent responsible officers for final review. Expect sign of by next RMAC meeting. 2 Jan 2019 Development of maintenance schedule actions rolled up into one action for consistancy and ease of reporting. February 2019 Inspection and maintenance plans are in place for Council's building assets, including safety and compliance requirements for reserves. Tree and playground inspection program under development. Proposed target - May 2019 February 2020
Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv	Sep-18	DCCS	February 2019 In progress. Library procedures to be included. Expect finaalisation August 2019 September 2019 On hold due to Interim CEO duties of DCCS February 2020 Draft procedures for events developed and under review
Develop template for risk assessments of Council run events	Jun-20	Comm Dev Officer	February 2020 New Action

RP11 - Inadequate Records Management Processes		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**

Litchfield Council Risk Dashboard Action Status Report

RP12 - Inadequate Project/Change Management		Risk	Control
		Moderate	Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Establish Council Project Management Methodology	Jun-18	Mgr Inf & Assets	7 August 2018 Project management processes are being revised to enable a project management methodolgy to be prepared. February 2019 Reporting process improvements in place and development of asset management plans assist in project identification, improving the operational control of projects and reducing the risk, however methodology development for project management yet to commence, which will need to align with contract management review and system. Proposed target – December 2019 September 2019 See RMAC Agenda Item 8.1 3 September 2019 February 2020

RP13 - Inadequate Engagement Practices		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Standardised community information processe for Road Network	Dec-18	Mgr Inf & Assets	February 2019 This is included as a procedure to be prepared for the Infrastructure and Assets section. Proposed target – April 2019 September 2019 No further action February 2020 In progress

RP14 - Inadequate Procurement / Supplier / Contract Management		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Develop a contract management system	Jun-18	Mgr Inf & Assets	7 August 2018 Project management processes are being revised to enable a project management methodolgy to be prepared. February 2019 60% complete – existing system capabilities are being utilised for contract management where available. To be reviewed in conjunction with internal audit scheduled relating to Contract Management. Proposed target – September 2019 September 2019 See RMAC Agenda Item 8.1 3 September 2019 February 2020 In progress

Litchfield Council Risk Dashboard Action Status Report

RP15 - Inadequate Asset Sustainability Practices		Risk	Control
		High	Inadequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Develop Asset Management Plan inc Asset costings to establish renewal program	Jul-18	Mgr Inf & Assets	7 August 2018 The Thorak Cemetry asset management plan is drafted and with the Director of Community and Corporate Services for review. Once this has been developed it will be used as a template for plans for other Council assets (Council offices, Waste Transfer Stations, MWF workshop etc.). This action will be replaced by individual actions for each asset management plan to be developed February 2019 Refer to RP9:Asset management plans in progress. All asset management plans include renewal requirements. February 2020 In progress
Develop Inspection/Maintenance program	Oct-18	DIO	7 August 2018 A draft maintenance schedule covering the Mobile Workforce, Waste Transfer Stations and the Administration building has been submitted to the Director of Infrastructure and Operations for review and is on track for October 2018 completion. February 2019 Inspection and maintenance plans are in place for Council's building assets, including safety and compliance requirements. Programs relating to all other infrastructure assets will be incorporated into relevant Asset Management Plans. Proposed target – key requirement is complete relating to buildings, all others to be complete by December 2019 February 2020 In progress

RP16 - Ineffective HR Management / Employment Practices		Risk	Control
		Moderate	Adequate
Current Issues / Actions / Treatments	**Due Date**	**Responsibility**	**Comments & Review History**
Develop Corporate Training Program	Oct-18	HR Advisor	February 2019 In progress February 2020 In progress
Implement Reward and Recognition Program	Oct-18	HR Advisor	February 2019 Years of service awards initiated with policy to be developed by Oct 2019. February 2020 Program implemented. 22 awards given to date. ITEM COMPLETE - to become a control

RP1 - Misconduct Jan-18

This Risk Theme is defined as:
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

This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.

Potential causes include;

- Lack of Training
- Changing of Job Titles / Roles
- Delegated Authority Process Inadequately Implemented
- Disgruntled Employees
- Lack of Understanding
- Poor Internal Checks (Supervision, PO's and Delegated Authority)
- Password Sharing

Key Controls	Type	Owner	Date	Rating
Delegation Manual	Preventative	Gov & Risk Adv	14/09/2017	Adequate
Fraud Training	Preventative	DCCS	14/09/2017	Adequate
Control of Devices Policy / Procedures	Preventative	Info Mgr	14/09/2017	Inadequate
Electronic Document Management	Preventative	Records Management Officer	14/09/2017	Adequate
On and Off Site Records Storage	Preventative	Records Management Officer	14/09/2017	Adequate
Recruitment Process	Preventative	HR Advisor	14/09/2017	Adequate
Segregation of Duties (Financial)	Preventative	Finance Mgr	1/06/2018	Excellent
ICT Security Access Framework - Access and Approvals	Preventative	Info Mgr	14/09/2017	Adequate
Internal / External Audits	Detective	Gov & Risk Adv	14/09/2017	Adequate
Induction Process (Code of Conduct)	Preventative	HR Advisor	14/09/2017	Adequate
Internet / Phone Usage Policy	Preventative	Info Mgr	14/09/2017	Adequate
Fraud Protection Policies	Preventative	DCCS	14/09/2017	Adequate
Credit Card Policy and Monthly Reporting	Detective	Finance Mgr	1/06/2018	Excellent
Disciplinary Procedures	Responsive	HR Advisor	14/09/2017	Adequate
Cash Handling Procedures	Preventative	Finance Mgr	14/09/2017	Adequate
Performance Review process	Detective	HR Advisor	30/11/2017	Adequate
Whistle Blower Policy	Preventative	Gov & Risk Adv	15/11/2017	Excellent
Ongoing Fraud and Misconduct Awareness Training/Information	Preventative	DCCS	12/02/2018	Adequate
Purchasing Policy / Process (Purchase Order Process)	Preventative	DCCS	14/09/2017	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Number of actual / attempted fraud and misconduct incidents			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate financial, compliance and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

RP2 - Business and Community Disruption — Jan-18

This Risk Theme is defined as;

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 includes;

- *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".

Potential causes includes;

- Cyclone, Storm Surges, Fire, Earthquake
- Terrorism / Sabotage / Criminal Behaviour
- Epidemic / Pandemic
- Extended Power Outage
- Economic Factors
- Loss of Key Staff

Key Controls	Type	Owner	Date	Rating
Business Continuity Framework (Policy & Procedures)	Preventative	Gov & Risk Adv	14/09/2017	Inadequate
Business Continuity Plans	Responsive	Gov & Risk Adv	14/09/2017	Inadequate
Cyclone Plan	Responsive	DIO	14/09/2017	Adequate
Fire Management Plan	Preventative	MWF Mgr	14/09/2017	Excellent
Council Property Inspections for Compliance (Informal) (Doc id 458315)	Detective	Asset Mgt Officer	27/02/2020	Adequate
Pre cyclone clean up	Preventative	Mgr Inf & Assets	14/09/2017	Adequate
Risk managemnt framework (Doc id447380)	Preventative	Gov & Risk Adv	3/03/2020	Adequate
Risk management and audit committee (Doc id 447381)	Preventative	Gov & Risk Adv	3/03/2020	Adequate
Emergency Management Procedures/Drills	Responsive	DIO	14/09/2017	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Vegetation slashing and mowing of 900kms of road network before July fire bans	*2 rounds*		
Fire breaks and road reserve slashing of 1000kms within Council excised land	*>75%*		
Lost time due to plant and equipment breakdown	*<20hrs*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate service interruption, reputation and environmental impacts.
Noting the risk refers to Councils ability to adequately and appropriately fulfil its role and responsibilities to prepare and/or respond to a disruptive event, not the disruptive event itself.

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Council Business Continuity Framework and Action Plan	*Jun-18*	Gov & Risk Adv

RP3 - Inadequate Environmental Management Jan-18

This Risk Theme is defined as;

Inadequate prevention, identification, enforcement and management of environmental issues. 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.
- Illegal clearing / land use.

Potential causes include;

- Inadequate Management of Landfill Sites
- Lack of Understanding / Knowledge
- Inadequate Local Laws / Planning Schemes
- Inadequate Reporting / Oversight Frameworks
- Community Apathy
- Heavy Vehicles on Reserves

Key Controls	Type	Owner	Date	Rating
WTS Environmental Management Plans (Doc id 447588)	Preventative	Waste Mgr	21/11/2019	Inadequate
Waste Management Strategy	Preventative	Waste Mgr	1/06/2018	Excellent
Contamination Register - MWF	Detective	MWF Mgr	21/12/2018	Inadequate
Contamination Register - Thorak (Doc id 428179)	Detective	Thorak Mgr	26/04/2019	Adequate
Asbestos Register (Doc ID 416357)	Detective	Mgr Inf & Assets	14/09/2017	Excellent
Weed Control Schedule	Preventative	MWF Mgr	14/09/2017	Adequate
Support Local Environmental Groups	Preventative	DCCS	14/09/2017	Adequate
Environmental Management / Response Plans	Responsive	DIO	14/09/2017	Inadequate
Erosion Control Road Side Drains	Preventative	Mgr Inf & Assets	14/09/2017	Adequate
Reporting of Listed Waste	Preventative	Waste Mgr	14/09/2017	Adequate
Landfill Rehabilitation	Preventative	Waste Mgr	14/09/2017	Adequate
Ranger (Dogs) Service (Doc ID 415880)	Preventative	Reg Serv Mgr	14/09/2017	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Rare
Overall Risk Ratings:	**Low**

Key Indicators	Tolerance	Date	Overall Result
Weed spraying roadside furniture and target Gamba grass and classified weeds	*150000L*		
Waste tonnage transferred to Shoal Bay	*<10000t*		
% of green waste received that is on-sold as mulch	*>80%*		
% of erosion repairs to road side drainage	*?*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to environmental impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Weed Management Plan updated	Aug-18	MWF Mgr
Develop Berry Springs Waste Transfer Station Envoronmental Mgt Plan	Apr-20	Waste Mgr

RP4 - Errors, Omissions, Delays and Incorrect Advice — Jan-18

This Risk Theme is defined as;

Errors, omissions or delays in operational activities 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.

Potential causes include;

- Human Error
- Inadequate Procedures or Training
- Lack of Staff (or trained staff)
- Incorrect Information
- Miscommunication

Key Controls	Type	Owner	Date	Rating
Documented Operational Procedures / Checklists (Doc ID 408679)	Preventative	Gov & Risk Adv	14/09/2017	Inadequate
Complaints and Requests Register (CRM)	Detective	DCCS	14/09/2017	Inadequate
Senior Manager Oversight to Elected Members Information	Detective	CEO	14/09/2017	Adequate
Utilise External Expertise / Consultants	Preventative	CEO	14/09/2017	Adequate
Segregation of Duties (Financial Control)	Preventative	Finance Mgr	14/09/2017	Adequate
Performance Review Process	Detective	HR Advisor	14/09/2017	Adequate
Media and Communications Resource	Preventative	Comm Eng Adv	14/09/2017	Adequate
Development and Subdivision Standards (Doc id 419760)	Preventative	Plan & Dev Mgr	9/01/2019	Adequate
Staff Meetings (Briefings / Debriefings)	Preventative	CEO	14/09/2017	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Issue work permits associated with a Development Permit with in 5 days	*90%*		
Issue clearances for development	*<10days*		
Investigations completed within 14 days	*>90%*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate reputational and financial impacts. Noting that this level of risk may be realised through incorrect approvals.

Current Issues / Actions / Treatments	Due Date	Responsibility
Formalise Procedures, Documentation and Checklists for Core	*Oct-18*	*Waste Mgr*
Formalise Procedures, Documentation and Checklists for Core Operations - Finance	*Jun-18*	*Finance Mgr*
Formalise Procedures, Documentation and Checklists for Core Operations - Works	*Apr-18*	*Mgr Inf & Assets*
Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv	*Sep-18*	*DCCS*
Review the CRM system	*Oct-18*	*DCCS*

RP5 - External Theft and Fraud (inc. Cyber Crime) Jan-18

This Risk Theme is defined as;

Loss of funds, assets, data or unauthorised access, (whether attempts or 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)

Potential causes include;

- Inadequate Security of Equipment / Supplies / Cash
- Robbery
- Scam Invoices
- Lack of Supervision / Unauthorised Entry

Key Controls	Type	Owner	Date	Rating
Visitor Sign In	Detective	Finance Mgr	14/09/2017	Adequate
Keyed Access Controls - Admin Building	Preventative	DCCS	14/09/2017	Adequate
Monitored Alarm - Admin Building	Detective	DCCS	14/09/2017	Adequate
Cash Handling procedures	Preventative	Finance Mgr	14/09/2017	Adequate
Staff Inductions	Preventative	HR Advisor	14/09/2017	Adequate
Restricted and Registered Keys	Preventative	Finance Mgr	14/09/2017	Adequate
After Hours Security	Detective	DCCS	14/09/2017	Adequate
System Checks for New Creditors	Preventative	Finance Mgr	14/09/2017	Adequate
Access Control for Online Banking (Dual Signatory)	Preventative	Finance Mgr	14/09/2017	Adequate
Delegation Manual	Preventative	Gov & Risk Adv	14/09/2017	Adequate
Disposal of assets process/forms	Detective	Finance Mgr	30/11/2017	Adequate
Credit Card policy	Preventative	Finance Mgr	1/06/2018	Excellent
Investment policy	Preventative	Finance Mgr	1/06/2018	Excellent
Audit reports (Monthly report, Weekly AP report)	Preventative	Finance Mgr	1/06/2018	Excellent
Seperation of Duties	Preventative	DCCS	1/06/2018	Excellent
Invoice aproval process	Preventative	Finance Mgr	30/11/2017	Adequate
Manned Access Control at Off-site Locations (Except BSWTS)	Preventative	Waste Mgr	14/09/2017	Adequate
Asset Management System - Asset Register (Doc id 458336)	Detective	Finance Mgr	27/02/2020	Adequate
CCTV	Detective	DCCS	14/09/2017	Adequate
IT Firewall Systems	Preventative	Info Mgr	14/09/2017	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Number of actual / attempted theft and fraud incidents			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

RP6 - ICT Systems and Infrastructure Failure — Jan-18

This Risk Theme is defined as;

Instability, degradation of performance, or other failure of ICT 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.

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

Potential causes include;

- Weather impacts
- Vendor Failures
- Outdated / inefficient hardware
- Sabotage
- Power failure
- Infrastructure Breakdown
- Lack of Training
- Lack of Configuration Management

Key Controls	Type	Owner	Date	Rating
Data Back Up Systems (manual process) (DOC ID. 438060)	Responsive	Info Mgr	24/01/2020	Excellent
Performance Monitoring (DOC ID. 438119)	Detective	Info Mgr	20/08/2019	Adequate
UPS / Generator (DOC ID. 438122)	Responsive	Info Mgr	20/08/2019	Excellent
Disaster Recovery Plan (Doc ID. 438090)	Responsive	Info Mgr	14/11/2019	Adequate
ICT Infrastructure Replacement / Refresh Program (DOC ID. 438116)	Preventative	Info Mgr	14/11/2019	Adequate
ICT Governance/Policy Framework (Doc ID. 394988 & 438114)	Preventative	Info Mgr	28/08/2019	Adequate
Internal Service Level Agreements (Doc ID. 438120)	Preventative	Info Mgr	20/08/2019	Adequate
Microwave Connection with Off-site Locations (Doc ID 438118)	Responsive	Info Mgr	18/11/2019	Adequate
Telstra land lines (Doc ID 438121)	Preventative	Info Mgr	18/11/2019	Adequate
Land Lines at Off-site Locations (Thorak and Waste Transfer Stations) DOC IDs 394993 & 438121	Preventative	Info Mgr	18/11/2019	Adequate
Vendor Support (Doc ID 439170)	Preventative	Info Mgr	18/11/2019	Adequate
ICT Improvement Plan (Doc id 448415)	Preventative	Info Mgr	3/03/2020	Adequate
ICT Access Control and Approval Procedures (438106)	Preventative	Info Mgr	14/11/2019	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Acknowledgement of the lodgement of technology issue	*<1day*		
Resolution of Category 1 Urgent technology issue	*<2days*		
Resolution of Category 2 Moderate technology issue	*<5days*		
Resolution of Category 3 Non-urgent technology issue	*<15days*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate service interruption and compliance impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Undertake private cloud hosting cost benefit analysis for internal systems (Item 2.1.3).	Feb-20	Info Mgr
Implement Business Systems Review and develop Roadmap (Item 3.1.1)	Dec-19	Info Mgr
Develop high level business continuity plan (BCP) and Disaster. (Item	Dec-19	Info Mgr
Mitigate legacy software platforms (Windows Server) (Item 5.1.4)	Feb-20	Info Mgr
Develop Unified Communications (Voice/Video/Data) – Telecommunications plan. (Item 2.1.4)	Feb-20	Info Mgr
Upgrade current projector/screen with integrated remote wireless AV system (Video Conf Ready)	Feb-20	Info Mgr

RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements Jan-18

This Risk Theme is defined as;

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes.

It does include the Local Government Act and all other legislative based obligations for Local Government. This does not include Safety & Health Legislation (refer "Inadequate safety and security practices") or any Employment Practices based legislation (refer "Ineffective HR Management / Employment practices)

Potential causes include;

- Lack of Training, Awareness and Knowledge
- Staff Turnover
- Inadequate Record Keeping
- Ineffective Processes
- Lack of Legal Expertise
- Councillor Turnover
- Breakdowns in Tender process
- Ineffective Monitoring of Changes to Legislation

Key Controls	Type	Owner	Date	Rating
Compliance Checklist	Detective	Gov & Risk Adv	14/09/2017	Adequate
Compliance Calendars	Preventative	Gov & Risk Adv	14/09/2017	Adequate
Councils Policy Framework	Preventative	Gov & Risk Adv	14/09/2017	Adequate
External Auditor Reviews (Financial Compliance)	Detective	Gov & Risk Adv	14/09/2017	Adequate
External/ Internal Auditor Reviews (Other Compliance)	Detective	Gov & Risk Adv	14/09/2017	Inadequate
Monitor Legislative Changes / Subscriptions	Detective	Gov & Risk Adv	14/09/2017	Adequate
Induction Process - Councillors / Staff	Preventative	Gov & Risk Adv	14/09/2017	Adequate
Staff Network Channels	Detective	CEO	14/09/2017	Adequate
Legislative Reporting to Regulators	Detective	DCCS	14/09/2017	Adequate
Internal Compliance Audit - Quarterly	Detective	Gov & Risk Adv	14/09/2017	Adequate
Scheduled Review of Council Policies and Delegations	Detective	Gov & Risk Adv	14/09/2017	Adequate
Tender Process	Preventative	DCCS	14/09/2017	Adequate
Road Openings and Road Closures Procedures (Doc id 420364)	Preventative	Plan & Dev Mgr	11/01/2019	Excellent
Annual review of external auditor by RMAC	Preventative	Finance Mgr	3/03/2020	Adequate
Dog By-laws administration (Doc id 456989)	Preventative	Reg Serv Mgr	27/02/2020	Excellent
Internal Audit Program (Doc ID 417918)	Detective	Gov & Risk Adv	8/05/2018	Excellent
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Compliance with management, statutory and regulatory budgeting and reporting	*100%*		
Compliance with legislative requirements as per DOLG Compliance Checklist	*100%*		
Risk Management Audit Committee Meetings	*4 per year*		
Internal Audits conducted as defined in Annual Internal Audit Program	*3 per year*		
Replace non-compliant signs in the signage program to Australian Standards	*100%*		
Compliance with Cemetery regulations	*100%*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major compliance impact

Current Issues / Actions / Treatments	Due Date	Responsibility

RP8 - Inadequate Safety and Security Practices Jan-18

This Risk Theme is defined as:

Non-compliance with the 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*

Potential causes include:

- Lack of Appropriate PPE / Equipment
- Inadequate First Aid Supplies or Trained Staff
- Rubbish / Litter Control
- Inadequate Security Arrangements
- Inadequate Signage, Barriers or other Exclusion Techniques
- Storage and Use of Dangerous Goods
- Ineffective / Inadequate Testing, Sampling (similar) Health Based Req
- Lack of Mandate and Commitment from Senior Management

Key Controls	Type	Owner	Date	Rating
Workplace Inspections - Off-site Locations	Preventative	DIO	14/09/2017	Adequate
Workplace Inspections - Administration	Preventative	DCCS	14/09/2017	Inadequate
WHS Policy	Preventative	HR Advisor	14/09/2017	Adequate
Safety Management System/Framework	Preventative	HR Advisor	14/09/2017	Inadequate
Contractor Inductions / Safety Requirements	Preventative	HR Advisor	14/09/2017	Inadequate
Toolbox Meetings	Preventative	HR Advisor	14/09/2017	Adequate
Inventory Hazardous Goods and MSDS	Preventative	Outdoor Mgrs	14/09/2017	Adequate
PPE	Preventative	Outdoor Mgrs	14/09/2017	Adequate
Staff Uniforms (protective)	Preventative	Outdoor Mgrs	14/09/2017	Adequate
Training Register (HR File)	Preventative	HR Advisor	14/09/2017	Inadequate
Operator License Checks (Outdoor Workforce)	Detective	HR Advisor	14/09/2017	Adequate
Driver License Checks	Detective	HR Advisor	14/09/2017	Excellent
Asbestos Register (Doc ID 416357)	Detective	Mgr Inf & Assets	27/02/2020	Adequate
Fleet Vehicle and plant Safety Requirements	Preventative	DIO	14/09/2017	Inadequate
Conflict Resolution Training - Frontline Staff	Preventative	HR Advisor	14/09/2017	Inadequate
Fire Safety Systems Check (Doc id 458348)	Detective	Mgr Inf & Assets	27/02/2020	Excellent
Electrical Tag and Test (Doc ID 416358)	Detective	Mgr Inf & Assets	27/02/2020	Adequate
Incident/Accident and Damage Reporting	Detective	HR Advisor	14/09/2017	Adequate
Staff Inductions	Preventative	HR Advisor	14/09/2017	Adequate
Insurance Cover	Preventative	DCCS	30/11/2017	Adequate
Works Permit – Public Liability Insurance (Doc id 419761)	Preventative	Plan & Dev Mgr	9/01/2019	Adequate
first aid kits and fire extinguishers in all Council vehicles	Preventative	Mgr Inf & Assets	8/05/2018	Excellent
			Overall Control Ratings:	**Inadequate**

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Possible
Overall Risk Ratings:	**High**

Key Indicators	Tolerance	Date	Overall Result
Number of WorkSafe Notifiable Incidents			
Lost Time Injuries			
Public liability Insurance claims			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major injury, financial and compliance impacts. Note the inadequate overall control rating is from the perspective of Council as an organisation and may not be reflective of individuals and/or individual work areas approaches to safety.

Current Issues / Actions / Treatments	Due Date	Responsibility
Review Existing Safety Practices and Develop Council Safety Management Systems	Sep-18	HR Advisor

RP9 - Ineffective and Unsustainable Financial Management Jan-18

This Risk Theme is defined as:
Failure to ensure Council manages its finances in a responsible and sustainable manner in the short and long term.

Potential causes include:

- Historical Legacy
- Uncertainty of Funding Sources
- Lack of Information (Assets, Debtors)
- Lack of Policy Framework
- Investment Performance
- Council Decisions

Key Controls	Type	Owner	Date	Rating
Long Term Financial Plans	Preventative	Finance Mgr	14/09/2017	Adequate
Finance Reports Monthly	Detective	Finance Mgr	14/09/2017	Adequate
Internal Audit Program (Doc ID 417918)	Detective	Gov & Risk Adv	8/05/2018	Adequate
External Audit Program	Detective	Finance Mgr	14/09/2017	Adequate
Delegation Manual	Preventative	Gov & Risk Adv	14/09/2017	Adequate
General Ledger and Journal control	Preventative	Finance Mgr	14/09/2017	Adequate
Finance Policies	Preventative	Finance Mgr	14/09/2017	Adequate
Segregation of Duties	Preventative	Finance Mgr	14/09/2017	Adequate
Developer Contribution Plan (Doc ID 415869)	Preventative	Plan & Dev Mgr	14/09/2017	Inadequate
Budgets - Reviews	Preventative	Finance Mgr	14/09/2017	Adequate
Project management of capital projects	Preventative	DIO	30/11/2017	Adequate
Rating strategy	Preventative	Finance Mgr	30/11/2017	Adequate
Investment policy	Preventative	Finance Mgr	30/11/2017	Adequate
Asset management system - Capital value records	Preventative	Finance Mgr	30/11/2017	Adequate
Grant acquital	Preventative	Finance Mgr	30/11/2017	Adequate
Rating parameters aproval by Finance Manager	Preventative	Finance Mgr	30/11/2017	Excellent
Debt Recovery - processes and agreements	Responsive	Finance Mgr	14/09/2017	Excellent
Risk Management and Audit Committee (Doc id 447381)	Detective	Gov & Risk Adv	3/03/2020	Adequate
Asset Management Plans	Preventative	Mgr Inf & Assets	14/09/2017	Inadequate
Rating Policy	Preventative	Finance Mgr	14/09/2017	Adequate
Annual review of financial manuals and procedures	Preventative	Finance Mgr	2/03/2020	Inadequate
Asset Valuations (Doc id 458338)	Preventative	Mgr Inf & Assets	27/02/2020	Excellent
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Current Years Rates Outstanding	*<15%*		
Rates Coverage Ratio	*>50%*		
Liquidity Ratio	*>1:1*		
Asset Sustainability Ratio	*90%*		
Grants Acquitted Within Timeframes	*100%*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Finalise Rating Policy and Undertake Review of Rating System	*Mar-18*	DCCS
Review Developer Contribution Plan	*Jun-18*	Plan & Dev Mgr
Implementation of Procurement Audit Findings	*Jun-18*	DCCS
Implementation of Works Permit Audit Findings	*Oct-18*	Plan & Dev Mgr
Asset management plans in progress	*Jul-18*	Mgr Inf & Assets
Review payroll procedures	*Jun-20*	Finance Mgr

RP10 - Ineffective Management of Public Facilities / Venues / Events Jan-18

This Risk Theme is defined as:
Failure to effectively manage the day to day operations of 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)

Potential causes include;

- Double Bookings
- Illegal Alcohol Consumption
- Managing Bond Payments
- Animal / Pest Contamination.
- Reliance on External Management of Facilities
- Access to Facilities / Venues.

Key Controls	Type	Owner	Date	Rating
Booking / Permit System	Preventative	Comm Dev Officer	14/09/2017	Adequate
Inspection and Maintenance Program - Other Assets (Doc id 458319)	Preventative	Mgr Inf & Assets	14/09/2017	Inadequate
Community Feedback Process	Detective	Comm Eng Adv	14/09/2017	Adequate
Event Management / Risk Assessments / Emergency Procedures (Doc id 458494)	Preventative	Comm Dev Officer	2/03/2020	Inadequate
Outsource Management at Key Recreational Reserve	Preventative	DCCS	14/09/2017	Inadequate
Operations Manuals	Preventative	DCCS	14/09/2017	Inadequate
Conditions of Entry to Public Facilities	Preventative	DCCS	14/09/2017	Adequate
Community Events Procedures on Public Land	Preventative	DCCS	14/09/2017	Adequate
Public Building Compliance	Preventative	Mgr Inf & Assets	14/09/2017	Inadequate
Alcohol Management	Preventative	DCCS	14/09/2017	Adequate
Noise Management	Preventative	DCCS	14/09/2017	Adequate
Asbestos Register (Doc ID 416357)	Preventative	Mgr Inf & Assets	30/11/2017	Adequate
Removal of abandoned vehicles (Doc id 456987)	Preventative	Reg Serv Mgr	27/02/2020	Adequate
Tree management plan	Preventative	Mgr Inf & Assets	3/03/2020	Adequate
Playground inspection program	Preventative	Mgr Inf & Assets	3/03/2020	Adequate
Budgets to Support Public Facilities	Preventative	CEO	14/09/2017	Inadequate
			Overall Control Ratings:	**Inadequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Overall community satisfaction from Annual Community Survey	*>70%*		
Number of community events			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate people and reputational impacts. Noting that Council has less control of this risk on public lands through reserve management.

Current Issues / Actions / Treatments	Due Date	Responsibility
Formalise Public Places By-Law	Jun-19	DCCS
Review Reserve Management Leases and budget requirements	May-18	DCCS
Develop Inspection/Maintenance program	Jun-18	Mgr Inf & Assets
Formalise Procedures, Documentation and Checklists for Core Operations - Corp and Comm Serv	Sep-18	DCCS
Develop template for risk assessments of Council run events	Jun-20	Comm Dev Officer

RP11 - Inadequate Records Management Processes Jan-18

This Risk Theme is defined as:
Failure to adequately capture, store, archive, retrieve, provision and / or disposal of records and documentation. This includes:
• Contact lists.
• Procedural documents.
• 'Application' proposals/documents.
• Contracts
• Forms, requests or other documents.

Potential causes include:

- Spreadsheet/Database/Document Corruption or Loss
- Inadequate Access and/or Security Levels
- Inadequate Storage Facilities
- Staff Turnover / Loss of Corporate Knowledge
- Outdated Record Keeping Practices / Incompatible Systems
- Lack of System/Application Knowledge
- High Workloads and Time Pressures
- Incomplete Authorisation Trails

Key Controls	Type	Owner	Date	Rating
Central Record Systems (EDMS)	Preventative	Gov & Risk Adv	14/09/2017	Adequate
Records Management Committee	Preventative	Records Management Officer	14/09/2017	Adequate
Records Management Process (Doc id 419406)	Preventative	Records Management Officer	2/01/2019	Adequate
Records Management Policy (Doc id 419406)	Preventative	Records Management Officer	2/01/2019	Adequate
Document / Correspondence Receipt / Action Process	Preventative	DCCS	14/09/2017	Adequate
On and Off Site Records Storage (Doc id 419960)	Preventative	Records Management Officer	4/01/2019	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Minor
Likelihood:	Possible
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Incoming documents entered into records management system	*<1day*		
Staff using records management system	*>80%*		

Comments
As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to moderate compliance impacts

Current Issues / Actions / Treatments	Due Date	Responsibility

RP12 - Inadequate Project/Change Management — Jan-18

This Risk Theme is defined as;

Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time requirements 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

Potential causes include;

- Lack of Communication and Consultation
- Lack of Investment
- Ineffective Management of Expectations (Scope
- Inadequate Project Planning (Resources/Budget)
- Lack of Project Methodology Knowledge and Reporting Requirements
- Inadequate Monitoring and Review
- Project Risks not Managed Effectively

Key Controls	Type	Owner	Date	Rating
Project Management Framework (Project Methodology)	Preventative	Mgr Inf & Assets	14/09/2017	Inadequate
Project Budget Tracking	Detective	Finance Mgr	14/09/2017	Adequate
New Initiative Reporting	Detective	DIRECTORS	14/09/2017	Adequate
Council Adoption of New Initiatives	Preventative	CEO	14/09/2017	Adequate
Community Engagement Strategy and Policy - Implementation of strategy over 4 years - ongoing from Feb 2018	Preventative	Comm Eng Adv	14/09/2017	Excellent
Project Status Reporting	Detective	DIRECTORS	14/09/2017	Adequate
Project Management Training	Preventative	HR Advisor	14/09/2017	Inadequate
Change Management Plan	Preventative	HR Advisor	14/09/2017	Inadequate
			Overall Control Ratings:	**Inadequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Possible
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
% Variation in Time, Cost, Scope or Quality of Project Estimates and Actuals			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Establish Council Project Management Methodology	*Jun-18*	*Mgr Inf & Assets*

RP13 - Inadequate Engagement Practices Jan-18

This Risk Theme is defined as;

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.

Potential causes include;

- Budget / Funding Issues
- Media Attention
- Inadequate Documentation or Procedures
- Short Lead Times
- Miscommunication / Poor Communication (Internal / External)
- Relationship Breakdowns with Community Groups

Key Controls	Type	Owner	Date	Rating
Some Public Education Programs (Animal Management, Waste)	Preventative	Comm Eng Adv	14/09/2017	Adequate
Council Reports	Preventative	DIRECTORS	14/09/2017	Adequate
Community Engagement Strategy and Policy - Implementation of strategy over 4 years - ongoing from Feb 2018	Preventative	Comm Eng Adv	14/09/2017	Excellent
Media Policy	Preventative	Comm Eng Adv	14/09/2017	Adequate
Communications Plans within Project Plans/Events	Preventative	Comm Eng Adv	14/09/2017	Inadequate
Strategic Partner Lists	Preventative	Comm Eng Adv	14/09/2017	Adequate
Sponsorship Policy	Preventative	Comm Eng Adv	14/09/2017	Adequate
Councillor Bulletin	Preventative	Comm Eng Adv	14/09/2017	Adequate
Annual Rates Newsletters	Preventative	DCCS	14/09/2017	Adequate
Require Public Consultation prior to Granting Works Permit (Doc	Preventative	Plan & Dev Mgr	17/01/2019	Adequate
Pop Up Info and Consultation Stalls	Detective	Comm Eng Adv	14/09/2017	Adequate
Animal Management Plan (Doc id 456988)	Preventative	Reg Serv Mgr	27/02/2020	Excellent
Provision of economic and social data via Council website (id.consult) (Doc id 447297)	Preventative	Gov & Risk Adv	3/03/2020	Excellent
Community Grants Scheme (Doc id 448168)	Preventative	Comm Dev Officer	2/03/2020	Adequate
Social Media/Website Updates	Preventative	Comm Eng Adv	14/09/2017	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Moderate
Likelihood:	Unlikely
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Overall community satisfaction from Annual Community Survey	*>70%*		
Media Response Timeframe	*<24hrs*		
Professional Development Program for Councillors	*>2*		
Freds Pass Show??	*Booth visitors*		
Community Education Programs	*2*		
Dog Awareness Education Program delivered to Primary Schools	*>2 per year*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Standardised community information processe for Road Network	*Dec-18*	Mgr Inf & Assets

RP14 - Inadequate Procurement / Supplier / Contract Management Jan-18

This Risk Theme is defined as:
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.

Potential causes include:

- Funding
- Complexity and Quantity of Work
- Inadequate Tendering Process
- Historical Contracts
- Inadequate Contract Management Practices
- Ineffective Monitoring of Deliverables
- Lack of Planning and Clarity of Requirements

Key Controls	Type	Owner	Date	Rating
Contract Management System	Preventative	Mgr Inf & Assets	14/09/2017	Inadequate
Review Meetings (Major Contracts)	Detective	DIRECTORS	14/09/2017	Inadequate
Local Government Guidelines (Doc id 447310)	Preventative	Gov & Risk Adv	14/09/2017	Adequate
Procurement Policies and Procedures (Doc id 447431)	Preventative	Gov & Risk Adv	14/09/2017	Adequate
Suppliers and Contractors WHS Requirements	Preventative	HR Advisor	14/09/2017	Inadequate
Strategic Relationship Map	Preventative	CEO	14/09/2017	Inadequate
			Overall Control Ratings:	**Inadequate**

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Possible
Overall Risk Ratings:	**High**

Key Indicators	Tolerance	Date	Overall Result
Number of contracts expired prior to renewal			

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop a contract management system	Jun-18	Mgr Inf & Assets

RP15 - Inadequate Asset Sustainability Practices — Jan-18

This Risk Theme is defined as;

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.*

It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.

Potential causes include;

- Skill Level and Behaviour of Operators
- Lack of Trained Staff
- Outdated Equipment
- Unavailability of Information and/or Parts
- Lack of Formal or Appropriate Scheduling (Maintenance / Inspections)
- Unexpected Breakdowns

Key Controls	Type	Owner	Date	Rating
Asset Management System - Infrastructure	Preventative	Mgr Inf & Assets	21/12/2018	Inadequate
Asset Management Plans (Doc id 458323)	Preventative	Mgr Inf & Assets	27/02/2020	Inadequate
Asset Management Steering Group (Doc id 458322)	Preventative	Mgr Inf & Assets	27/02/2020	Excellent
Asset Management System - Asset Register	Preventative	Finance Mgr	21/12/2018	Adequate
Asset Handover Procedures (Doc id 420053)	Preventative	Plan & Dev Mgr	17/01/2019	Adequate
Future Trends Analysis	Preventative	DCCS	14/09/2017	Inadequate
Land Asset Optimisation Strategy	Preventative	DCCS	14/09/2017	Inadequate
Conditional Analysis (Doc id 458339)	Detective	Mgr Inf & Assets	27/02/2020	Adequate
Asset Valuations (Doc id 458338)	Preventative	Mgr Inf & Assets	27/02/2020	Excellent
Community Engagement - Service Levels	Detective	CEO	14/09/2017	Inadequate
Inspection and Maintenance Program - Roads	Detective	Mgr Inf & Assets	14/09/2017	Adequate
Inspection and Maintenance Program - Drainage	Preventative	Mgr Inf & Assets	3/03/2020	Inadequate
Wet season road network management	Preventative	Mgr Inf & Assets	3/03/2020	Inadequate
Capital Works Program	Preventative	Mgr Inf & Assets	3/03/2020	Adequate
Street Lighting Program	Preventative	Mgr Inf & Assets	3/03/2020	Adequate
Road Network, Road Reserve and Fire Break (Council land) slashing (Doc id 447507)	Preventative	MWF Mgr	19/11/2019	Excellent
Inspection and Maintenance Program - Other Assets (Doc id 458319	Detective	Mgr Inf & Assets	14/09/2017	Inadequate
			Overall Control Ratings:	Inadequate

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Possible
Overall Risk Ratings:	High

Key Indicators	Tolerance	Date	Overall Result
Asset sustainability ratio	*90%*		
Works (operating) program - as adopted, completed in agreed timeframes	*>90%*		
Works (capital) program - as adopted, completed in agreed timeframes	*>90%*		
Drainage / roads meet a condition rating of satisfactory or above	*>75%*		
Emergency works response mobilised	*<48hrs*		
Plant serviced within 3 days of service due date	*100%*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to major financial and reputational impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Asset Management Plan inc Asset costings to establish renewal program	Jul-18	Mgr Inf & Assets
Develop Inspection/Maintenance program	Oct-18	DIO

RP16 - Ineffective HR Management / Employment Practices Jan-18

This Risk Theme is defined as;

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.

Potential causes include;

- Leadership Failures
- Available Staff / Volunteers
- Single Person Dependencies
- Poor Internal Communications / Relationships
- Ineffective Performance Management Programs or Procedures.
- Ineffective Training Programs or Procedures.
- Limited Employment Market Availability
- Inadequate Induction Practices.

Key Controls	Type	Owner	Date	Rating
HR Policy and Procedures	Preventative	HR Advisor	14/09/2017	Inadequate
Performance Development Plans and Training Register	Detective	HR Advisor	14/09/2017	Adequate
Workforce Plan	Preventative	HR Advisor	14/09/2017	Inadequate
Staff Inductions (Code of Conduct Component)	Preventative	HR Advisor	14/09/2017	Adequate
Staff Surveys	Detective	HR Advisor	14/09/2017	Adequate
Recruitment Process	Preventative	HR Advisor	14/09/2017	Excellent
Corporate Training Plan	Preventative	HR Advisor	14/09/2017	Adequate
Training Budget	Preventative	CEO	14/09/2017	Adequate
Implement people and culture program	Preventative	HR Advisor	12/02/2018	Adequate
Litchfield Council Enterprise agreement	Preventative	HR Advisor	10/04/2019	Inadequate
Regular Staff Meetings	Preventative	CEO	14/09/2017	Adequate
			Overall Control Ratings:	**Adequate**

Risk Ratings	Rating
Consequence:	Major
Likelihood:	Unlikely
Overall Risk Ratings:	**Moderate**

Key Indicators	Tolerance	Date	Overall Result
Staff turnover rate	*<20%*		
Organisational development initiatives	*3*		
Professional development training for each staff member	*<1*		

Comments

As rated by Workshop Attendees - 14/9/2017 - Consequence rating referred to service interruption, people and financial impacts

Current Issues / Actions / Treatments	Due Date	Responsibility
Develop Corporate Training Program	Oct-18	HR Advisor
Implement Reward and Recognition Program	Oct-18	HR Advisor

Attachment B – Controls updated since last report to RMAC

Risk Profile Controls	Risk Register Impact
RP10 - Ineffective Management of Public Facilities / Venues / Events	
27/02/2020	
Removal of abandoned vehicles (Doc id 456987)	Control Rating applied
2/03/2020	
Event Management / Risk Assessments / Emergency Procedures (Doc id 458494)	Control Rating applied; new action initiated
3/03/2020	
Tree management plan	Control Rating applied
Playground inspection program	Control Rating applied
RP13 - Inadequate Engagement Practices	
27/02/2020	
Animal Management Plan (Doc id 456988)	Control Rating applied
2/03/2020	
Community Grants Scheme (Doc id 448168)	Control Rating applied
3/03/2020	
Provision of economic and social data via Council website (id.consult) (Doc id 447297)	Control Rating applied
RP15 - Inadequate Asset Sustainability Practices	
19/11/2019	
Road Network, Road Reserve and Fire Break (Council land) slashing (Doc id 447507)	Control Rating applied
27/02/2020	
Asset Management Plans (Doc id 458323)	Update provided
Asset Management Steering Group (Doc id 458322)	Control updated to Excellent from Adequate
Conditional Analysis (Doc id 458339)	Control updated to Excellent from Adequate
Asset Valuations (Doc id 458338)	Control updated to Excellent from Adequate
3/03/2020	
Inspection and Maintenance Program - Drainage	Control Rating applied

Risk Profile Controls	Risk Register Impact
Wet season road network management	Control Rating applied
Capital Works Program	Control Rating applied
Street Lighting Program	Control Rating applied
RP2 - Business and Community Disruption	
27/02/2020	
Council Property Inspections for Compliance (Informal) (Doc id 458315)	Update provided
3/03/2020	
Risk management framework (Doc id447380)	Control Rating applied
Risk management and audit committee (Doc id 447381)	Control Rating applied
RP3 - Inadequate Environmental Management	
21/11/2019	
WTS Environmental Management Plans (Doc id 447588)	Update provided
RP5 - External Theft and Fraud (inc. Cyber Crime)	
27/02/2020	
Asset Management System - Asset Register (Doc id 458336)	Update provided
RP6 - ICT Systems and Infrastructure Failure	
14/11/2019	
Disaster Recovery Plan (Doc ID. 438090)	Update provided
ICT Infrastructure Replacement / Refresh Program (DOC ID. 438116)	Update provided
ICT Access Control and Approval Procedures (438106)	Update provided
18/11/2019	
Land Lines at Off-site Locations (Thorak and Waste Transfer Stations) DOC IDs 394993 & 438121	Update provided
Microwave Connection with Off-site Locations (Doc ID 438118)	Update provided
Telstra land lines (Doc ID 438121)	Update provided
Vendor Support (Doc ID 439170)	Update provided
24/01/2020	
Data Back Up Systems (manual process) (DOC ID. 438060)	Update provided
3/03/2020	

Risk Profile Controls	Risk Register Impact
ICT Improvement Plan (Doc id 448415)	Update provided
RP7 - Failure to Fulfil Statutory, Regulatory or Compliance Requirements	
27/02/2020	
Dog By-laws administration (Doc id 456989)	Control Rating applied
3/03/2020	
Annual review of external auditor by RMAC	Control Rating applied
RP8 - Inadequate Safety and Security Practices	
27/02/2020	
Asbestos Register (Doc ID 416357)	Update provided
Electrical Tag and Test (Doc ID 416358)	Update provided
Fire Safety Systems Check (Doc id 458348)	Control updated to Excellent from Adequate
RP9 - Ineffective and Unsustainable Financial Management	
27/02/2020	
Asset Valuations (Doc id 458338)	Control updated to Excellent from Adequate
2/03/2020	
Annual review of financial manuals and procedures	New Control
3/03/2020	
Risk management and audit committee (Doc id 447381)	Update provided

RISK CONTROL STATUS

Key Control

Procurement policies and procedures

Responsible Person/Position

Governance and Risk Advisor

Risk Profile/s	Control Rating
RP14 - Inadequate Procurement / Supplier / Contract Management	Inadequate
Choose an item.	Choose an item.
Choose an item.	Choose an item.
Choose an item.	Choose an item.

Background

After several internal audits a number of key documents have been created and are close to finalisation. Additionally, Council has FIN03 Procurement policy.

Current Issues / Actions / Treatments

Treatment 1

Development of Tender procedure

Treatment 1

Development of Procurement manual

Recommendations

That the procurement improvement committee are responsible for confirming RP14 control recommendations.

That this control be removed and replaced by the following controls

1. Tender procedure – rated currently inadequate and upgraded to adequate when complete
2. Procurement Manual– rated currently inadequate and upgraded to adequate when complete
3. FIN03 Procurement policy – Rated Adequate

RMAC REPORT

Agenda Item Number:	8.4
Report Title:	Management's response to closing audit report for 30 June 2019
Report Number:	
Meeting Date:	11/03/2020
Attachments:	Attachment A - Closing Audit Report – 30 June 2019 (Separate Attachment)

Purpose

The purpose of this report is to provide the Risk Management and Audit Committee (RMAC) with the external audit management report for financial year ended 30 June 2019. The report includes management's response to audit observations.

Summary

Council's financial statements for the year ending 30 June 2019 were audited by Merit Chartered Accountants (auditors). In November 2019 the auditors provided the closing Audit report (Attachment A).

The Audit Observations and Management's response to each observation has been included in the final report.

Recommendation

THAT the RMAC receive and note Management's response to the external audit closing management report for the financial year ended 30 June 2019.

Background

Audit observations provided in the enclosed report have been risk rated to be of High, Moderate and Low risk rating.
The following table summarises the Management response to these observations:

Risk Rating	Number of observations	Management Response
High	0	Non
Medium	3	1 observation– has been addressed already 1 observation – will be addressed by June 2020 1 observation– is immaterial
Low	14	8 observations – have been addressed already 3 observations - will be addressed by March 2020 1 observation– is immaterial 2 observations - will be addressed by June 2020

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

Complying with Council's Risk Management and Audit Committee Policy (FIN09), the closing audit report with management comments for each audit observation for 30 June 2019 has been provided.

Risks

NIL

Financial Implications

NIL

Community Engagement

Not applicable

Recommending Officer: **Silke Maynard, Director Community and Corporate Services**

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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 of 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.

RMAC REPORT

Agenda Item Number:	8.5
Report Title:	Internal Audit Plan Update
Report Number:	
Meeting Date:	11/03/2020
Attachments:	Attachment A – 2019-2020 Internal Audit Plan Attachment B – IT Security Audit Scope Attachment C – Litchfield Council Work Health & Safety Review – Stage 1 Attachment D – Litchfield Council Work Health & Safety Management Plan (Separate Attachment)

Purpose

To update RMAC on the progress of the 2019-2020 internal Audit Plan

Summary

An updated 2019-2020 internal audit plan was presented to RMAC at its September 2019 meeting and included reference to risk profiles (Attachment A). The plan is developed to address risk profiles which do not meet risk appetite.

This report,

- Provides the scope for the internal audit which is consistent with the internal audit plan;
- Confirms that the Council wide Work Health and Safety Audit examined the procedures and practices on all Council areas including the Mobile Work Force (MWF) and replaces the MWF audit of WH&S procedures and practices as the second internal audit for 19/20.

The 3-year rolling internal audit plan is scheduled for review at the May 2020 RMAC meeting.

A review of the risk and control ratings for the 16 risk profiles was conducted in consultation with the Leadership Team (see Item 8.3 this agenda) with updates reflected in the ratings provided in Attachment A.

Recommendation

THAT RMAC,

1. Note the scope of the ICT Security Audit
2. Recommend that the audit of Councils Work Health & Safety Management Systems and compliance with legislation and the resulting Work Health and Safety

Management Plan replace the Audit of Mobile Work Force Work Health and Safety procedures and practices as the second internal audit for the 19/20 financial year.

3. Request that implementation actions from the WHS Management Systems audit be included into the risk register.

Background

Information Security Internal Audit
Council currently has a managed service agreement with IT specialist Fourier Technologies. Based on the requirements of the internal audit plan the attached scope for an IT Security Audit was developed (Attachment B).

The ICT Improvement Plan provides overarching strategic security guidance. This audit will review what is in place and provide operational recommendations.

The existing ICT Security measures have been in place prior to Fourier Technologies being engaged through the managed services agreement. To date the practice has been to implement recommended security measures and updates as they arise.

Fourier Technologies have indicated that they are able to complete the audit as part of the managed service agreement with a minimal charge for technician time of approximately $2,400. With the agreement with Fourier 12 months in they should now have a comprehensive understanding of the current status of Councils ICT environment and operations and would be best placed to conduct the audit.

A second quote will be sought to ensure transparent procurement; however It is estimated that the cost for an external party to conduct the audit would be in the vicinity of $10,000.

Work Health and Safety Audit
Litchfield Council has initiated a Council wide WHS review in order to address a Risk Control Action which has identified the requirement to undertake a review on the existing health and safety management systems used by Council and to identify and implement new systems as required.

Previous health and safety reviews have identified gaps within council's WHS management systems. Since these reviews, Council has implemented several bespoke recommendations, however an overarching management system, WHS governance structure or Management Plan has not been implemented which ensures that Litchfield Council is meeting all legal obligations and duties to provide a safe workplace.

The purpose of the Work Health and Safety Audit was to review and update Council's Work Health and Safety (WHS) management system to ensure it meets legislative and operational requirements, and controlling an identified risk of inadequate health, safety and security practices. This required a review of existing policies, procedures and practices.

The overall WH&S review project consisted of

- an initial report and recommendations (Stage 1) – Attachment C, and

- the development of a draft Health and Safety Management Plan (WHSMP) – Attachment D.

The WHSMP has been developed based on both current Council operations and to address gaps in strict compliance to Australian Standards (AS4801). It consists of a number of individual specific plans covering all elements of the AS4801 criteria. These documents will be combined into a single comprehensive WHSMP document. The final plan will result in the updating of several administrative WHS policies.

The plan will require implementation within Council to ensure the following outcomes.

- That all Litchfield Council employees are made aware of the Litchfield Council WHS Management Plan via documented training, instruction and communication.
- That all Litchfield Council employees understand their obligation and Duty of Care requirements to refer to and comply with the WHSMP plan throughout their workplace activities to the best of their ability at all times.
- That the WHS Management Plan is available in each manned workplace as well as via Council intranet or electronic means.

Implementation actions for the WHSMP are being formulated and will be included as treatments in the risk framework for the next RMAC review.

Links with Strategic Plan

A Well-Run Council - Good Governance

Legislative and Policy Implications

FIN08 ensures a framework is in place which facilitates legislative compliance

Risks

Nil

Financial Implications

The total cost of IT Security Audit (if conducted by Fourier Technologies) and the Work Health and Safety review will be $22,400 which is in line with the budgeted amount for internal audits.

Community Engagement

Nil

Recommending Officer: **David Jan, Governance and Risk Advisor**

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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 of 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.

Attachment A – Internal Audit Plan

Internal Audit	Financial Year	Description	Risk Profile	Risk Rating	Control Rating
Audit of Mobile Work Force work health and safety procedures and practices	19/20	This audit will focus on the operational practices of the MWF both at the Humpty Doo workshop and in the field. Recommendations from this audit will contribute to improving controls in the "Inadequate Safety and Security Practices" risk profile which has an overall risk rating of high and overall control rating of inadequate	RP8 - Inadequate Safety and Security Practices	**High**	**Inadequate**
Information Security	19/20	The ICT Improvement Plan has been developed in 2017 and implementation will be undertaken over the coming years. IT Security regarding data, cyper attacks and disaster recovery are a great risk to Council if not managed appropriately. The audit should identify if the implemented measures of the ICT Improvement Plan are mitigating the risk to Council's satisfaction.	RP6 - ICT Systems and Infrastructure Failure	**Moderate**	**Adequate**
Audit and review of Council's reserve management arrangements	20/21	Council has been managing Howard Park and Knuckeys reserves since 2015 with five other reserves managed by local associations. This review will examine the reserve management arrangements and make recommendations as to the risks to Council.	RP10 - Ineffective Management of Public Facilities / Venues / Events	**Moderate**	**Inadequate**
Audit of compliance with Roads Inspection Regime	20/21	Council has a regime of roads inspection determining intervals, level of inspection and documentation required. The audit will identify if the regime is adhered to and is appropriately mitigating risk for Council.	RP15 - Inadequate Asset Sustainability Practices	**High**	**Inadequate**

Internal Audit	Financial Year	Description	Risk Profile	Risk Rating	Control Rating
Records Management processes	21/22	This audit will look at the success of the implementation of the Records Management Improvement Plan. The findings of the audit will inform and provide confirmation of control ratings related to records management risks	RP11 - Inadequate Records Management Processes	**Moderate**	**Adequate**
Audit of compliance with Tree Risk Management Plan	21/22	Council has resolved to develop a Tree Risk Management Plan identifying the level, intervals and documentation of tree risk assessment for Council's open space. Development will take place in the 2018/19 financial year. The audit should identify if processes have been sufficiently established and are followed to mitigate risk to Council.	RP10 - Ineffective Management of Public Facilities / Venues / Events	**Moderate**	**Inadequate**

Attachment B – IT Security Audit Scope

Purpose
As part of its internal audit program Litchfield Council has identified the need to conduct an audit of its processes, policies and procedures with regards to ICT Security and potential threat hazards.

Litchfield Council is seeking the identification of gaps in the current ICT Security management and recommendations on what's required to close these gaps.

This audit will contribute to ensuring Litchfield Council is:

- Maintaining appropriate practices in relation to ICT Security;
- Complying with the Local Government Act and any other relevant legislation; and
- Developing adequate controls to effectively manage ICT Security and reduce associated risks.

Project Background
The ICT Improvement Plan has been developed in 2017 and implementation started in 2018 and will continue through to 2022.

IT Security regarding data, cyber-attacks and disaster recovery are a great risk to Council if not managed appropriately.

The audit should identify if the implemented measures of the ICT Improvement Plan are mitigating the risk to Council's satisfaction.

This audit forms part of Council's internal audit program and risk management framework. Council needs to ensure that its ICT Security processes (both in place and planned) are such that risks are mitigated.

It is expected that the successful quotation will possess the appropriate qualifications and experience to audit ICT Security and provide recommendations on the adequacy of existing controls or for additional controls.

Project Scope
The objective of the audit is to assess whether current or proposed implemented measures of the ICT Improvement Plan are mitigating the risk to Council's satisfaction.

The audit will cover all areas of ICT Security management and will address the following:

1. Baseline Security Review, including areas such as:
    a. Review of the Patch Management Processes
    b. Review of the User Management Processes
    c. Review of the Operating Systems
    d. Review of the Authentication Methods

    e. Review of the Workstation Hardening
    f. Review of the Change Management
    g. Disaster Recovery
2. External Penetration Test:
    a. Perform External Penetration test on the Firewall
    b. Review of Malware and Virus Protection
    c. Review of Logging and Auditing
3. Firewall and Router Configuration Review:
    a. Review Firmware Version
    b. Review Configurations
4. Windows Server Configuration Review
    a. Review Critical Patch Status
    b. Review Group Policy Settings
    c. Review Configuration Hardening

Project Deliverables
The project must provide the following deliverables:

1. Draft report containing opportunity for management response
2. Final report
3. Reports to include:
    a. Comprehensive assessment of Project Scope objective
    b. Investigation and analysis of the areas of IT Security management identified in the Project Scope
    c. Summary and outcomes of onsite interviews and sampling
    d. Recommendations for improvements
    e. Management response (opportunity for response in draft, outcome in final)
4. Reports to be hard copy and electronic versions for all documentation to Council in an editable format (MS Word 2010 or earlier)

Litchfield Council WHS Review

Stage 1 Report and Recommendations

16.09.2019

latitude 12
Business Solutions for Regional Australia

Background

Litchfield Council has initiated a WHS review in order to address a Risk Control Action which has identified the requirement to undertake a review on the existing health and safety management systems used by Council and to identify and implement new systems as required.

Previous health and safety reviews have identified gaps within council's WHS management systems. Since these reviews, Council has implemented a number of bespoke recommendations, however an overarching management system, WHS governance structure or Management Plan has not been implemented which ensures that Lichfield Council is meeting all legal obligations and duties to provide a safe workplace.

The purpose of this project is to review and update Council's Work Health and Safety (WHS) management system to ensure it meets legislative and operational requirements, and controlling an identified risk of inadequate health, safety and security practices.

The Stage 1 review was undertaken to establish an initial baseline assessment on the current state of the WHS framework and to identify the key areas for improvement in the development of a more comprehensive WHS Management Plan.

Sites and employees engaged and assessed in Stage 1

Sites visited included:

- Mobile Workforce at Humpty Doo
- Humpty Doo and Howard Springs Waste Transfer Stations
- Thorak Cemetery
- Litchfield Council Offices at Freds Pass

The following Council employees were engaged and assisted in the initial review period.

- Justin Dunning – Manager of MWF
- Dawn Bailey - WHS and HR Advisor
- Nicole Davenport – Supervisor of Regulatory Services
- Wendy Smith - Manager of Planning and Development
- David Jan - Governance and Risk Advisor
- Vicky Wellman - Manager – Thorak Cemetery
- Toni Wands - Customer Service – Thorak Cemetery
- Waste Transfer Plant Operator - Glenn - (Humpty Doo)
- Waste Transfer Gate Keeper – Camilla - (Humpty Doo)
- Waste Transfer Plant Operator - George - (Howard Springs)
- Waste Transfer Gate Keeper – Jake - (Howard Springs)

Executive Summary

The initial review phase of the WHS review project was designed to provide an overall awareness of the structure, status and implementation of the Health and Safety management systems and controls that currently exist across Councils main business functions. The overall finding was that Council does have a range of embedded controls and processes that are used across Council operations. These controls have

been developed gradually and as required over a period of time and are used to manage a number of tasks specific and operational activities.

The key opportunity for improvement relates to the current lack of an systematic, planned and coordinated approach to managing WHS outcomes across all Council service lines and the absence of an overarching plan or strategy that ensures that the current systems of work and related policies are embedded, effective, delivering value and working to support Council to achieve its strategic objectives.

The content and quality of procedures and controls that were reviewed during Stage 1 were adequate for their intended use and there was evidence that these controls are actively used to manage the hazards and risks associated with those activities.

Council can however improve its overall performance in respect to WHS compliance through adopting a more systematic approach to health and safety through the development of a Health and Safety Management Plan that considers and responds to the individual elements of Australian Standard AS4801.

This approach will improve the ability of Council to ensure that all compliance specific obligations are documented and met as well as controlling hazards and risks to an acceptable level based on what is reasonably practicable at this time.

Employee feedback and interaction during the initial review was open and professional. There was a sense that employees do regard health and safety as an important aspect of their employment and there was no feedback or response that suggested that Council, as an employer, does not support of demonstrate commitment to workplace health and safety.

Strategic and operational risk registers and related procedures were available and appear to be used as drivers for improving organisational compliance which is a positive cultural indicator within any organisation.

The key and overarching recommendation is for Council to adopt a systematic approach to the management of health and safety through the establishment of a detailed management plan based on the elements of Australian Standard AS4801 and supported by a range of new and existing documents, initiatives and processes that can be tailored to meet the specific requirements of Council.

Findings and observations

Although a number of findings and observations listed below have led to recommendations specific to the issues that were described. These recommendations will all be managed under the wider recommendation for adopting a systematic Health and Safety Management Plan throughout the WHS project.

Current lack of an overarching Safety Management Framework

It was noted that despite a WHS Policy, Risk Registers and a range of supporting documented procedures which manage task-based, operational activities, there is no established framework or health and safety governance structure which coordinates and supports the Council to meet and achieve it's legal WHS compliance obligations or connects existing processes to governance structures or any strategic and operational plans relating to health, safety and wellbeing.

Although the various task based documents that were available were of appropriate quality and covered a range of low risk and higher risk hazardous tasks, the manner and effectiveness of implementation, documentation control, review and improvement was less organised and could be improved through the use

of an integrated health and safety management plan which consolidates all aspects of WHS into a centrally available and accessible structure.

This structure will also benefit Council by reducing, if not, eliminating the duplication of some documents and procedures, establishing a more consistent approach to works occurring across all Council functions and will assist to improve the quality of implementation.

A further benefit will be to assist Councils ability to demonstrate that it is taking all reasonable actions to supply a safe workplace.

A range of other current health and safety gaps can also be improved and addressed though the adoption of a coordinated WHS structure such as contractor management, employee and contractor induction, workplace supervision, consultation and issue resolution, training, incident investigation and auditing within a single management plan.

Objectives and Targets for Health and Safety

There was no evidence of an embedded suite of WHS related targets or other objectives for health and safety within Council. The establishment of a range of leading and lagging indicators is recommended at this time to focus the outcomes of the future state WHS framework as well as to track performance. There are a wide range of options available with most organisations adopting more proactive or leading performance targets as opposed to lagging indicators. Targets should also be reviewed and changed as systems, capability and safety culture maturity improve over time.

Although there is frequent reference to public safety issues within the Litchfield Council 2018-2022 Strategic plan, there is no mention of health and safety as a focus area or value within council itself. This shift should be considered to place workplace and employee safety as a core value within Council as this will support the wider ability to meet or improve public safety issues also.

The 2017-2018 Litchfield Council Annual Report contains no targets which are established for WHS with three targets relating to Human Resources and employee development under WHS and HR.

Selection of highly relevant and appropriate health and safety targets is critical and will require further discussion during the development of a WHS Management Plan during the project.

Current Use of Safe Work Methods and Procedures

There was consistent evidence that most task-based activities are being managed under an appropriate documented system of work and that these controls were implemented, known and actively used by workforce. The uptake and effectiveness of these controls is largely the result of the proactivity of individual site or service line managers who have taken on the responsibility of developing and implementing the training and sign off for their teams in the use of these documents.

There is currently no formalised connection between the work methods or procedures that may exist between different functions despite some tasks involving similar plant and equipment although some document sharing was also evident. This observation highlights an opportunity to both simplify and coordinate the use of some safe work methods across Council operations which will also support a more structured and common approach to the use of procedures for similar or identical tasks.

Adoption of a more structured document framework will not reduce the effectiveness of controls in any way and will continue to provide Council with flexibility in managing the task based health and safety issues that arise within each service area or function.

Employee WHS Engagement

Employees who were involved in the initial assessment all demonstrated an awareness and understanding of basic health and safety principles and feedback indicated that employees believe that health and safety is a focus for council and acknowledge that the activities of council need to be undertaken safely. This is noted as it indicates a solid foundation for a proactive safety culture which is important to assist in the acceptance and management of future change within health and safety processes.

Incident Investigation

Council does have a Procedure for incident investigation however feedback suggested that this procedure may not be well communicated or fully implemented. When used correctly, incident investigation can provide significant learnings for Council and to act as a source of continual improvement. Clarity on what events or incidents to investigate as well as how investigations are undertaken is an opportunity for improvement in wider safety management system effectiveness.

Employee Health and Wellbeing Programs

The review period highlighted that Council is seeking to establish a Wellbeing Framework for employees. Execution of this initiative is recommended and Latitude 12 has a range of material that can actively assist Council to establish a functional Health and Wellbeing program that aligns to and supports the broader WHS Management Plan.

Contractor Management

There was no evidence of an integrated or established approach to contractor management within Council during the initial assessment period. Use of contractors was evident within Mobile Workforce, Waste Management and the cemetery which included an ongoing contract for critical safety and customer service related activities such as the maintenance and integrity of gas systems within the Thorak crematorium.

The use of specialist external suppliers and contractors is an inherent aspect of Council's operations and it is recommended that an appropriate Contractor WHS management process is developed and adopted. This would not need to be complex or and can be based on a range of basic pre assessments and inductions which satisfy the legal obligations of Council as an employer of contracted services with the opportunity to mature this basic process over the medium term.

Such a system would consider the safety, reputational, environmental risks and complexity of contracted works and allocate an appropriate levels of WHS induction or other controls.

Chemical exposure and use of hazardous substances

Use of various fuels, oils, pesticides and herbicides was noted within some Council functions and creates a number of safety and health related risks to Council employees.

Other occupational exposure related risks areas would include UV for outdoor based workers, various biological pathogens within the waste handling processes and potentially harmful exposure to animals based diseases such as via contact with bats, vermin and other mammals.

Exposure to asbestos may be a risk where illegal dumping or concealed dumping of asbestos may occur at sites operated by Council. This may not be fully preventable but may be better managed via development of targeted strategies to reduce the risk of illegal dumping of hazardous materials or via workforce awareness and training. Well established workplace hygiene practices and risk based vaccinations against blood borne diseases are also highly recommended for employees who face biological exposure risks.

The use of Safety Date Sheets was noted in mobile workforce and could be improved through a basic training program on chemical hazards and controls as a part of a wider WHS training program for employees who may face exposure risks to various substances and pathogens. Greater consistency in the use of substances will also arise from the adoption of an integrated approach to WHS across Council.

Systematic Hazard Identification and Control

Although the use of safe work methods and risk registers highlights that hazard awareness and control are an element of Council's current health and safety processes, there was no evidence that a systematic approach to hazard identification and control are implemented. This is a key area for improvement and is a core element in continual improvement and measuring the effectiveness of existing health and safety controls.

WHS Record Keeping

Feedback from some employees highlighted that here is an opportunity to clarify the Council's requirements and process for record keeping and document management. It is likely that this challenge may apply beyond Health and Safety records. It is known that Council does have a reliable and established ICT and records management system (Info expert) with acceptable access to all Council business functions. The recommended improvement is to provide an improved level of awareness to those resources who may handle, access or manage records on improving their awareness of the document and record naming protocols and folder structures that are already available.

Emergency Drills

There was little documented evidence of any established schedule or process for emergency drills. This is noted as emergency planning is a prescribed element of the Australian Standard for the development of a Safety Management System.

It is recommend that a basic emergency plan is developed in conjunction with the further development of Council's Safety Management System and that a schedule of drills is established and performed and documented.

These may include drills on basic building evacuation as well as drills to assess the effectiveness of other response procedures involving Lone / Missing Worker, basic medical emergencies or similar scenarios.

Audits and Reviews

It is recommended that a schedule of ongoing assurance activities such as auditing or process confirmations is adopted to assist council to ensure that targeted processes and procedures are embedded and are being followed.

As the use of a more centralised WHS management plan is established, the focus and nature of these audits can be adjusted as the WHS management system become more mature over time but it is recommended

that an operationally focused schedule of basic process confirmations is initially created to assist to build internal audit capability. These confirmations can be checklist based, targeted at key risk areas and will not require lengthy reports or research to arrive at a finding and can be can be undertaken by managers, supervisors or employees alike.

Targets for completion of these process conformations can be established for key employees as performance metrics which aim to increase the presence of Council's senior leadership within the wider operational workforce and will also assist to promote conversation and awareness of WHS hazards, issues and risks and to support a more proactive safety culture. Examples of potential WHS Process Confirmations are will be provided during the coming gap analysis phase.

As the WHS Management plan is evolved and embedded, additional audits can be developed to test the effectiveness of the management plan itself and its uptake across the organisation.

Visible leadership a culture building initiative

The application and value of a new management plan for WHS within Council will be enhanced via a basic program of WHS culture awareness and key safety behavioural drivers. This will assist Council executive to understand their specific role in respect to supervision and mentoring as well as to ensure that executive leaders are seen to be approachable and engaged in driving WHS as an organisational value.

It is recommend that the concept of Just Culture is introduced to Council at an appropriate time in the early period of implementing a wider health and safety management plan. This will add awareness to the workforce that Council actively seeks to understand the reasons for both safe and unsafe behaviours within the workforce and shall look to understand root cause factors within investigations and the consistent application of accountability for workers who may not comply with health and safety expectations.

Safety in Design

The use of Safety in Design principles is increasingly common within Australia and has benefits for organisations that are involved in the construction and design of assets and infrastructure.

An example may include undertaking a formal health and safety assessment on the design of a new waste transfer station prior to commencing construction to consider potential risks arising from the use of plant and machinery, traffic flow, working at heights risks or other design elements that can be altered prior to construction. Although not a formal compliance risk, this concept has merit as it brings the process of formal risk assessment forward to the panning phase and can result in operational and financial efficiencies through the whole of life of the asset. This is not a priority recommendation but can be referenced into the draft WHS Management Plan and developed over time in consultation with technical services or infrastructure functions.

Training and Competency

It is a legal requirement for all employers to ensure that adequate training and supervision has been provided to ensure that are employees are safe and competent to undertake the duties that are required within their workplace. This obligation for Council will require the use of a basic training need analysis which maps out any critical WHS training against roles and duties and links to a process of competency verification. This training approach serves to meet and demonstrate compliance as well as to ensure that training programs are established to ensure workforce safety, employee ability and competency.

This process requires a relatively simple workforce assessment and can be matured as the needs of Council and workforce WHS capability improves and changes over time. This program will also be largely driven by basic WHS Inductions, any mandatory or high-risk licence requirements, first aid and evacuation training needs and to address day to day operational hazards such as safely dealing with aggressive persons and aggressive animals, using chemicals, first aid and fire warden training, HSR training and other workplace health and safety training needs.

This process can also be embedded within the overarching WHS Management Plan for Council.

Summary

Litchfield Council has a solid foundation for the development of a more mature approach to WHS management. There is a proven uptake and appetite for the use of fit-for-purpose health and safety procedures and other documents to manage safety and compliance across council operations.

There is also an existing appreciation of WHS expectations and requirements among those employees who have a supervisory responsibility. The main gaps relate to coordination of these systems under a central structure that is accessible and available to the workforce. Other gaps relate to missing elements of the Australian Standard for a contemporary WHS Management System Structure.

The ongoing development of a systematic and structured approach to WHS is highly achievable and will assist to address a range of current weaknesses, will improve access to and use of all health and safety procedures, policies and safe systems of work.

Next Steps

In accordance with the Litchfield Council WHS Review project, the following steps are scheduled:

- Table initial report and recommendations – Stage 1B (this report)
- Develop a draft Health and Safety Management Plan for Council based on findings and preliminary observations from Stage 1B prior to 16 August 2019.
- Present the draft WHS Management Plan to Council's project group for consideration, refinement and further development in accordance with the project schedule.

Summary of Recommendations

A summary of initial recommendations is attached below for reference. Almost all recommendations will form a direct part of the wider WHS management Plan that will be developed for Council in the coming months but are listed for awareness.

No.	Recommended Improvement	Within draft WHSMP	Comment
1	Develop and implement an overarching WHSMP tailored to address for all Council WHS operations obligations and risks	Yes	This is the primary recommendation for Council and the objective of the WHS Review project.
2	Establish a suite of basic WHS targets and key result areas	Yes	This will assist in measuring and reviewing WHS performance
3	Review Incident Investigation Procedure to better define how various incident severity types will be investigated.	Yes	The current procedure requires more detail and can be improved in some areas
4	Establish a Health and Wellbeing Framework to address health based risk drivers	Yes	His can link to and benefit other WHS risk areas and initiatives
5	Develop a Contractor Management Procedure to suit Council contractor employment	Yes	This is important to manage a contracted workforce
6	Health Surveillance - Consideration should be reviewed to ensure the control of exposure to various workplace substances, hazards and pathogens.	Yes	This is partially occurring but can be improved or linked to Wellbeing programs and may not cover all health risks.
7	WHS Record Keeping - review the access and control arrangements of WHS records and key documents using current ICT systems.	Yes	Future use of a dedicated WHS data management system can be considered as required but current ICT options are adequate.

8	Emergency Drills – drills should be designed, scheduled and undertaken at set times with scenarios based on key risks for each major site.	Yes	Establish a schedule for key activities and sites. Include as a WHS target area.
9	Inspections and audits - establish a schedule of audits and inspections for WHS procedures and sites	Yes	It is recommended that this is commenced as a basic process conformation program and links into council WHS targets
10	Leadership and Culture Establish a Just Culture framework that ensures that safety behaviours are assessed on merit and considers the reasons for certain behaviours within the incident investigation process and that leadership is recognised and rewarded.	Yes	This is highly valuable as a culture building program at early stage of WHSMP rollout.
11	Safety in Design - review current ability to formalise a SID program for construction and infrastructure works.	Yes	SID may also be adopted as an Infrastructure based initiative if adopted. This is not a direct compliance requirement for Council.
12	Verification of Competency Establish a matrix to ensure that essential training and awareness is provided with a documented verification undertaken after training as appropriate	Yes	May be currently managed through other process but should be specific to WHS training also.

Our Contact Details

The key contact personnel for this project and any questions relating to the report is:

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RMAC REPORT

Agenda Item Number:	8.6
Report Title:	2020 Meeting Schedule and Workplan
Report Number:	
Meeting Date:	11/03/2020
Attachments:	Nil

Purpose

To confirm the 2020 RMAC meeting schedule and workplan.

Summary

The following meeting schedule and workplan for 2020 is proposed.

11 March 2020 10.00 am	• Review Council response to auditor's management letter • Review progress on internal audit action plans • Review risk register
4 May 2020 1.00 pm	• Review progress on internal audit action plans • Review annual external audit plan • Review 3 year internal audit plan • Review FIN01 Asset Disposal • Review FIN08 Risk Management policy
4 Aug 2020 10.00 am	• Review progress on internal audit action plans • Receive interim audit letter • Review risk register • Review FIN10 Fraud Protection policy • Review FIN05 Debt Recovery
6 October 2020 10.00 am This meeting date is subject to change due to timing of delivery of audit and annual report.	• Review 2019/2020 financial statements • Review Council response to auditor's interim management letter • Review FIN12 Purchasing Card Policy • Review 2019/2020 Annual Report compared with the Municipal Plan

Meetings will be scheduled for 10am in the Executive Conference room at the Litchfield Council offices.

Recommendation

THAT the RMAC endorse the meeting schedule and workplan for 2020.

Background

The terms of reference for the RMAC are detailed in FIN09 Risk Management and Audit Committee Policy. FIN09 identifies that the RMAC monitors the integrity of the annual financial statements and annual report as well as stipulating that it meets quarterly.

GOV01 Policy Framework identifies that polices are to be reviewed at least every 4 years. The attached table shows the review schedule of those polices relevant to RMAC terms of reference.

Links with Strategic Plan

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Legislative and Policy Implications

The suggested meeting dates are consistent with FIN09 Risk Management and Audit Committee policy below.

Policy Review Schedule

POLICY	REVIEW DATE
FIN08 Risk Management	2019-11
FIN10 Fraud Protection Policy	2019-11
FIN05 Debt Recovery - REVIEW DATE BOUGHT FWD	2020-02
FIN07 Grants, Donations and Sponsorships Policy - REVIEW DATE BOUGHT FWD	2020-03
FIN01 Asset Disposal - REVIEW DATE BOUGHT FWD	2020-04
FIN02 Rates - REVIEW DATE BOUGHT FWD	2020-06
FIN11 Related Party Disclosure	2021-05
FIN06 Rates Concession	2021-10
GOV04 Whistleblowing	2021-11
FIN04 Financial Reserves	2021-12
FIN13 Borrowing	2021-12
FIN14 Investment	2021-12
FIN12 Purchasing Card	2021-12
FIN00 Accounting Policies Manual	2022-05
FIN03 Procurement	2022-11
FIN09 Risk Management and Audit Committee (RMAC)	2023-11

Risks

Nil

Financial Implications

Nil

Community Engagement

Nil

Recommending Officer: **David Jan, Governance and Risk Advisor**

Any queries on this report may be directed to the Recommending Officer on telephone (08) 8983 0600.

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 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.

9. Other Business

10. Confidential Items

Pursuant to Section 65 (2) of the Local Government Act and Regulation 8 of the Local Government (Administration) regulations the meeting be closed to the public to consider the following Confidential Items:

10.1 Payroll Audit Update

Regulation 8(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, its members or staff; or*
- *(iv) prejudice the interests of the council or some other person;*

11 Close of Meeting