City of Busselton
Geographe Bay

Audit and Risk Committee

Agenda

Wednesday 13 September 2023

Our Vision

Where environment, lifestyle and opportunity meet

Community Aspirations

KEY THEME 1

Environment

An environment that is valued, conserved and enjoyed by current and future generations.

KEY THEME 2

Lifestyle

A place that is relaxed, safe and friendly, with services and facilities that support positive lifestyles and wellbeing.

KEY THEME 3

Opportunity

A vibrant City with diverse opportunities and a prosperous economy.

KEY THEME 4

Leadership

A Council that connects with the community and is accountable in its decision making.

NOTICE OF MEETING

TO: **THE MAYOR AND COUNCILLORS**

NOTICE is given that a meeting of the Audit and Risk Committee will be held in the Council Chambers, Administration Building, Southern Drive, Busselton on Wednesday 13 September 2023, commencing at 9:00am

Your attendance is respectfully requested.

DISCLAIMER

Statements or decisions made at Council meetings or briefings should not be relied on (or acted upon) by an applicant or any other person or entity until subsequent written notification has been given by or received from the City of Busselton. Without derogating from the generality of the above, approval of planning applications and building permits and acceptance of tenders and quotations will only become effective once written notice to that effect has been given to relevant parties. The City of Busselton expressly disclaims any liability for any loss arising from any person or body relying on any statement or decision made during a Council meeting or briefing.

TONY NOTTLE

CHIEF EXECUTIVE OFFICER

8 September 2023

BEHAVIOUR PROTOCOLS

The City of Busselton values are:

- Listening
- Considered Decision Making
- Appreciation
- Respect
- Teamwork

In accordance with these values, the following outlines the behaviour expectations while attending a Council meeting, Community Access Session, or Public Agenda Presentation:

- Listen respectfully through the meeting or presentation
- Respect the Council process and comply with directions from the Presiding Member
- Use respectful language when addressing Council, staff, and other members of the public
- Behave in a manner that is respectful and non-confrontational
- Do not use offensive language or derogatory language towards others

The City values the diverse input of the community and seeks to ensure that all members of the community can attend a meeting and have their say.

Council members, Committee members and Candidates are bound by the City's Code of Conduct and agree to uphold the values of the City of Busselton and principles of good behaviour, maintaining and contributing to a harmonious, safe, and productive environment.

Anyone who does not behave in accordance with the above values and behaviours may be asked by the Presiding Member to leave the gallery.

CITY OF BUSSELTON

Agenda for the Audit and Risk Committee to be held on Wednesday 13 September 2023

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1 OFFICIAL OPENING

The City of Busselton welcomes Councillors, staff, guests and members of the public to the Audit and Risk Committee meeting of 13 September 2023.

The City of Busselton acknowledges the Wadandi and Bibbulmun people as the traditional custodians of this region and pay respects to Elders past and present.

Please note this meeting will be audio recorded for minute taking purposes.

2 ATTENDANCE

3 DISCLOSURES OF INTEREST

DISCLOSURES OF FINANCIAL INTEREST

A declaration under section 5.65 of the *Local Government Act 1995* requires that the nature of the interest must be disclosed. An elected member or employee who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration without the approval of the Council in accordance with the Act.

DISCLOSURES OF IMPARTIALITY INTEREST

Elected members and employees are required, in addition to declaring any financial interest, to declare an interest that might cause or perceive to cause a conflict. If the elected member or employee declares that their impartiality will not be affected then they may participate in the decision-making process.

4 PUBLIC QUESTION TIME

4.1 RESPONSES TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4.2 QUESTION TIME FOR PUBLIC

Public question time procedures and guidance

- The City will allocate a minimum of 15 minutes and a maximum of 30 minutes per Council meeting for public question time.
- Members of the public should register their intent to ask a question at a Council meeting by completing and submitting the Public Question Time form before 4pm the

day prior to the relevant meeting.

- Members of the public will be invited to ask their question in order of registration.
- Questions will be limited to three per person. Additional questions may be permitted by the Presiding Member where time permits.
- Where a person is not present to ask their submitted question it will be responded to administratively as general correspondence.
- Questions may be taken on notice, to be responded to at a later time by the CEO in accordance with clause 6.7 of the Standing Orders.
- Public question time is for the tabling of questions, not for members of the community to make statements. For context, the Presiding Member may allow a short preamble.
- Questions containing defamatory remarks or offensive language, or that question the competency or personal affairs of Elected Members or employees may be ruled inappropriate by the Presiding Member subject to the Presiding Member taking reasonable steps to assist the member of the public to rephrase the question.
- There will be no debate or discussion on the response provided.

For further information, please see the Meetings, Information Sessions and Decision Making Processes Policy.

5 CONFIRMATION AND RECEIPT OF MINUTES

5.1 Audit and Risk Committee 7 June 2023

RECOMMENDATION

That the Minutes of the Audit and Risk Committee 7 June 2023 be confirmed as a true and correct record.

6 REPORTS

6.1 CEO Review of Systems and Procedures (REG 17) - Status of Findings

Strategic Theme:	Key Theme 4: Leadership 4.2 Deliver governance systems that facilitate open, ethical and transparent decision making.
Directorate:	{Finance and Corporate Services}
Reporting Officer:	Director of Corporate Strategy and Performance – Sarah Pierson
Authorised By:	Director of Corporate Strategy and Performance - Sarah Pierson
Nature of Decision:	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations.
Voting Requirements:	Simple Majority
Disclosures of Interest:	No officers preparing this item have an interest to declare.
Attachments:	1. Reg 17 Audit Recommendations Status September 23 [**6.1.1** - 2 pages] 2. 2023 Reg 17 Report - City of Busselton [**6.1.2** - 23 pages]

OFFICER RECOMMENDATION

That the Council acknowledge the status update in relation to the recommendations of the Regulation 17 Review (as at the beginning of September 2023) and note that the next update will be provided to the Audit and Risk Committee post the conclusion of the December 2023 quarter.

EXECUTIVE SUMMARY

Regulation 17 of the *Local Government (Audit) Regulations* (the Audit Regulations) requires the Chief Executive Officer to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance. The City engaged AMD Chartered Accountants (AMD) to undertake this review on behalf of the CEO, with findings and recommendations presented to the Audit and Risk Committee and then to Council on 21 June 2023. This report presents a status update in relation to the recommendations.

STRATEGIC CONTEXT

Having appropriate and effective systems and procedures in place in relation to risk management, internal control and legislative compliance provides for the good governance of the City and appropriate levels of risk and risk management activity.

BACKGROUND

In May 2023, the City engaged AMD Chartered Accountants (AMD), a leading local government audit, accounting and advisory firm in Western Australia, to undertake the Regulation 17 review on behalf of the CEO. Officers presented a report on the findings of that review to the Audit and Risk Committee on 7 June 2023 (endorsed by Council on 21 June 2023).

Council resolved (C23066/111)

That the Council

1. *Accept the CEO's Regulation 17 review of the appropriateness and effectiveness of the City of Busselton systems and procedures in relation to risk management, internal control and legislative compliance; and*
2. *request that the Chief Executive Officer provide quarterly updates to the Audit and Risk Committee on the progress of the recommendations for improvement identified as part of the review.*

This report provides an update on the status of the recommendations (Attachment 1), with the Audit and Risk Committee also receiving an update on the status of findings from the 2022 OAG general computer controls audit.

OFFICER COMMENT

Of the twelve recommendations, one has been completed and the remainder are in progress. None are overdue for completion. As noted in the initial management comments, completion of several of the recommendations in full are subject to additional resourcing, with resourcing requirements in the process of being quantified and prioritised. The CEO has recently concluded an organisational review, with the results of that review in terms of structure in the process of being implemented.

Key to recommendations associated with risk management and internal audit is the alignment of risk with governance and legal and the appointment of a broadened Governance and Risk Coordinator position. On commencement of a new incumbent to that role, further assessment of the City's risk systems and processes and requirements to implement the recommendations will be undertaken.

Statutory Environment

Regulation 17 of the Audit Regulations requires the Chief Executive Officer to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance once every 3 financial years and report to the Audit Committee.

Relevant Plans and Policies

The City of Busselton Risk Management Policy was adopted by Council on May 2006. It has been reviewed on numerous occasions since then, the last time being 8 September 2021.

Plan:
Not applicable.

Policy:
Risk Management

Financial Implications

There are no financial implications associated with the officer recommendation. Progression of the recommendations in full, however, is likely to have financial implications, with additional resourcing required in order to improve overall coordination of risk management, and to implement an internal audit function. Additionally, if the City was to further centralise coordination of its procurement and

contract management functions, additional resourcing may be required. Further information and proposals will be presented to the Audit and Risk Committee/Council as part of the proposed regular updates.

External Stakeholder Consultation

Not applicable.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level are identified, noting the report presents a status update.

Options

As an alternative to the proposed recommendation the Council could request the Chief Executive Officer provide additional information in relation to any of the recommendations.

CONCLUSION

This report provides at Attachment 1 a status update in relation to the recommendations of the City's most recent Regulation 17 Review.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The officer recommendation will be implemented in full, or in stages as per the following table:

Milestone	Completion Date
Status Update Noted	**On Council's resolution**

Reference	Theme	Recommendation	Risk Rating	Target Date	Status Update - 7 September 2023
RISK MANAGEMENT					
2.2.1	**Risk Management Framework and Risk Reporting**	We recommend the Risk Management Report: • Be reviewed and updated on a period basis. A comprehensive risk identification process may be required to be completed across all departments; •Clear reporting requirements be documented within the Risk Framework and these reporting requirements be complied with. Ideally this would involve risk reports being presented to the Audit and risk Committee on a quarterly basis to report emerging risks and ensure management/Council are notified of how risks are being managed; • WHS risk management be matured through the implementation of an online centralised system; •Corporate risk be managed by a dedicated risk officer; and •The re-established Risk Management Committee undertake the annual evaluation as required by the Terms of Reference.	High	31-Dec-23	Additional resourcing is required to increase our risk maturity level in accordance with this recommendation. Risk management has been realigned within the City's organsiational review to the new Legal and Governance business unit, with the Governance Coordinator position amended to include responsibility for risk, as Governance and Risk Coordinator. A new incumbent to that role commences in mid-September. They will be tasked to review and implement elements of this recommendation. Some elements such as an online centralised WHS system and a dedicated risk officer however will remain subject to additional budget and resourcing.
2.2.2	**Emergency Risks and Response Management**	We recommend: • Risk register be introduced for specific emergency services and brigades to identify, treat and monitor risks; • The bushfire management plan be updated as required by DFES with appropriate approval and communication of the revised plan; •A preventative maintenance and management plan be documented and implemented for brigade structures and emergency facilities including regular walkthrough of facilities; and • Service level emergency assets be recorded on a centralised register with an initial complete identification process undertaken as the initial step and development of a replacement program considered.	Medium	30-Jun-25	Initial WHS audits have been done of all brigade facilities. A report is being compiled. Work on the remaining recommendations are scheduled to commence in 2024.
2.2.3	**Misconduct, Fraud and Corruption Policy**	We recommend that a formal Fraud and corruption Control Plan be developed and implemented throughout the City. The Fraud and Corruption Control Plan should incorporate: • The City's approach to controlling fraud and corruption at a strategic, tactical and operational levels; •The Shire's intended action in implementing and monitoring the City's fraud and corruption prevention, detection and response initiatives; • Any existing policies dealing with fraud and corruption risk; and • The roles and responsibilities, reporting lines of all personnel involved. The Fraud and Corruption Control Plan should be reviewed every two years. Furthermore, we recommend the development of a communication strategy for ethics, fraud and corruption awareness and integrate this into the fraud and corruption control plan. The strategy could include processes for: • Ensuring all appropriate employees receive training on ethics related documents and other elements of the City's Integrity Framework at induction and throughout the period of their employment; • Ensuring all employees receive regular fraud awareness training appropriate to their level of responsibility; •Ensuring updates and changes to fraud-related policies, procedures, the ethical documents and other ethical pronouncements are effectively communicated to ell employees; and •Encouraging employees to report any suspected incidence of fraud or corruption.	Medium	30-Jun-24	Work to progress these recommendations is scheduled for early 2024.
2.2.4	**Contract Management**	We recommend Council consider: • A contract management framework be developed incorporating policies and procedures relating to contract management; •Consideration be given to a dedicated department which is designated responsibility to oversee contract management; •A detailed and centralised contracts register be maintained and updated as required; • OSH obligations forms are obtained for all contracts and signed by both the contractor and the City representative; •Documentation to evidence contractor induction be retained; •Contract variations be approved; •Current insurances for City contractors be obtained and a system be implemented whereby a notification is issued when contractor insurances are due to expire; •Contracts due to expire are re-negotiated/compliance with City procurement processes complied with; and •A contractor performance review be designed and implemented.	Medium	31-Dec-23	As per the management comment provided in response to these recommendations, further consideration and determination of these matters will be undertaken by the end of 2023. Some research has commenced as to how other LG's manage contracts. It is noted that in order for the City to successfully implement the recommendations some centralised resourcing of contract management may be required.
2.2.5	**Tender Management**	We recommend: • All tender documentation be completed in full and retained; and •A formal post tender/project review process be developed for projects exceeding a predetermined dollar value or considered to be high risk.	Medium	31-Dec-23	All tender documentation is retained. Formal review processes are being reviwed. As per comment above re contract mamagement, centralisation of procurement may assist in improving these processes but is subject to resourcing
2.2.6	**Risk Management Policies and Procedures**	We recommend the following: •Policies and procedures be developed and implemented for specimen signature for officers with delegated authority. •Potentially out of date policies and procedures identified be reviewed and updated accordingly:	Medium	30-Jun-24	Work is progressing in relation to this recommendation. Since the finding: 1 Policy review has been completed; 2 of the identified policies are before P&L at present and 1 is scheduled for November. 2 OPs have been reviewed
2.2.7	**IT Strategic Plan and Business Continuity Plan Testing**	We recommend: • The IT Strategic Plan be finalised and approved for implementation; and • The Business Continuity Plan be tested on pre-determined basis to ensure that in the event of a disaster, appropriate actions can be taken.	Medium	31-Dec-23	The ICT Strategy has been endorsed by the CEO and will be presented to Council for noting in the coming months. Quotes for testing of the BCP are being sought. The DRP is a scheduled for testing in October.
2.2.8	**Lease Management**	We recommend current insurances be obtained as required by City leases and a system be implemented whereby a notification is issued when lease insurances are due to expire.	Low	30-Jun-23	Additional controls have been implemented. Completed
INTERNAL CONTROLS					
3.2.1	**Business Activity Statement ("BAS") Lodgement Relief**	We recommend an additional delegated employee be provided access to the portal to lodge BAS in case the Finance Coordinator was not available.	Low	31-Dec-23	Will be implemented as planned

LEGISLATIVE COMPLIANCE					
4.2.1	**Compliance Calendar**	We recommend the City develop a centralised Compliance Calendar to be accessed and utilised by individual City staff as required.	Medium	30-Jun-24	Work will be progressed on implementing the attain compliance calender once the new Governance and Risk Coordinator commences.
4.2.2	**Audit and Risk Committee**	We recommend: •Risk reports be presented at each Audit and Risk Committee meeting; • Audit and risk Committee meeting agendas include a standing item relating to updating on the status of actions previously tabled, and the discussion of risk; and • Audit and Risk Committee meeting agendas include a standing item relating to compliance and the effectiveness of compliance at the City.	Medium	30-Jun-24	Additional resourcing is required to increase our risk maturity level and improve reporting to the Audit and Risk Committee. This is currently being looked at as part of the Organsiational Review and Realignment
4.2.3	**Internal Audit**	The Department of Local Government, Sport and Cultural Industries guidelines recommend an internal audit function be established incorporating an internal audit program which is re-assessed annually. We recommend the City consider an internal audit function overseen by the Audit and Risk Committee.	Low	30-Sep-24	The City has commenced research into establishment of an internal audit function including seeking some costings. A report will be presented to the Council.

AMD
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Regulation 17 Review

May 2023

City of Busselton
Geographe Bay

The Institute of Internal Auditors

WALGA PREFERRED SUPPLIER

Independent Member of BKR INTERNATIONAL

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AUSTRALIA • NEW ZEALAND

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31 May 2023

Mr T Nottle
Chief Executive Officer
City of Busselton
Locked Bag 1
BUSSELTON WA 6280

Dear Tony

2023 REGULATION 17 REVIEW

We are pleased to present the findings and recommendations resulting from our 2023 City of Busselton Local Government (Audit) Regulations 1996, Regulation 17 Review.

This report relates only to procedures and items specified within the 2023 Regulation 17 Review Proposal and does not extend to any financial report of the City.

We would like to thank Sarah, Christine and the City of Busselton team for their co-operation and assistance whilst conducting our review.

Should there be matters outlined in our report requiring clarification or any other matters relating to our review, please do not hesitate to contact me.

Yours sincerely
AMD Chartered Accountants

TIM PARTRIDGE FCA
Director

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Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to review, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. This review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, the City of Busselton management and personnel. The review findings expressed in this report have been formed on the above basis.

Third party reliance

This report was prepared solely for the purpose set out in this report and for the internal use of the management of the City of Busselton. This report is solely for the purpose set out in the 'Scope and Approach' of this report and for City of Busselton's information, and is not to be used for any other purpose or distributed to any other party without AMD's prior written consent. This review report has been prepared at the request of the City of Busselton Chief Executive Officer. Other than our responsibility to the Council and management of the City of Busselton, neither AMD nor any member or employee of AMD undertakes responsibility arising in any way from reliance placed by a third party.

AMD
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1. Executive Summary

1.1. Background and Objectives

To undertake a review of the appropriateness and effectiveness of risk management, internal controls and legislative compliance of the City of Busselton ("the City") in accordance with the Local Government (Audit) Regulations 1996, Regulation 17 for the period ended 30 June 2023 ("Review").

Our findings included within this report are based on the site work completed by us during the week ending 12 May 2023, and subsequent communication via email and phone calls to 19 May 2023. Findings are based on information provided and available to us during and subsequent to this site visit.

1.2. Summary of Findings

The procedures performed and our findings on each of the focus areas are detailed in the following sections of the report:

- Section 2 – Risk management;
- Section 3 – Internal controls; and
- Section 4 – Legislative compliance.

Following the completion of our review and subject to the recommendations outlined within sections 2 to 4, we are pleased to report that in context of the City's overall risk, internal control and legislative compliance environments, policies, procedures and processes in place are appropriate, and have been operating effectively at the time of the review.

At the time of the onsite review in May 2023, we noted the City of Busselton is in the process of an organisation review. Many comments and recommendations raised within this report are based on observations and discussions held with senior management relating to the key review areas. We raise these comments and recommendations in accordance with best practice guidelines.

Furthermore, during our limited review of the City of Busselton IT environment which forms part of the risk management section of our review, we identified the Office of the Auditor General had completed an Information Systems Performance Audit with the final report dated 8 December 2022. Our review has indicated action taken to date with respect to the Information Systems Performance Audit findings is being regularly monitored and reported by the IT department. As a result, findings reported within the Information Systems Performance Audit report have not been reported within this report unless they specifically relate to an area we are required to report on within our risk management review scope. We recommend the City continue to progress with the actions required resulting from this Information Systems Performance Audit accordingly.

Findings reported by us are on an exceptions basis, and do not take into account the many focus areas tested during our review where policies, procedures and processes were deemed to be appropriate and in accordance with best practice.

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The following tables provide a summary of the findings raised in this report:

	Extreme Risk	High Risk	Medium Risk	Low Risk
Number of new issues reported	0	1	7	4

For details on the review rating criteria, please refer to Section 5.

Ref	Issue	Risk Rating
Risk management		
2.2.1	**Risk Management Framework and Risk Reporting** Further enhancements recommended with respect to risk management and reporting including management through a centralised online system managed by a dedicated team.	**High**
2.2.2	**Emergency Risks and Response Management** Further enhancements recommended with respect to emergency risk documentation and management of brigades, emergency facilities and service level emergency equipment.	**Medium**
2.2.3	**Misconduct, Fraud and Corruption Policy** Suggest a formal Fraud and Corruption Control Plan be developed and implemented throughout the City. Also recommend the development of a communications strategy for ethics, fraud and corruption awareness and integrate this into the fraud and corruption control plan.	**Medium**
2.2.4	**Contract Management** The City does not have a Contractor Management Framework or dedicated contract manager to oversee contracts.	**Medium**
2.2.5	**Tender Management** Various documents in respect to two tenders selected by us for testing were unavailable. Recommend Council consider developing a policy for post tender reviews.	**Medium**
2.2.6	**Risk Management Policies and Procedures** A number of policies and procedures are outdated, requiring review and some City practices do not have documented policies and/or procedures.	**Medium**
2.2.7	**IT Strategic Plan and Business Continuity Plan Testing** IT Strategic Plan in progress and not yet approved. Business Continuity Plan (Disaster Recovery Plan) not formally tested or reviewed since 2019.	**Medium**
2.2.8	**Lease Management** Recommend ensuring the required insurance coverage is in place by the lessee and current.	**Low**
Internal controls		
3.2.1	**BAS Lodgement Relief** Our inquiries indicated the Finance Coordinator is the only employee with access to the ATO portal to lodge BAS.	**Low**
Legislative compliance		
4.2.1	**Compliance Calendar** The City does not have a centralised Compliance Calendar.	**Medium**
4.2.2	**Audit and Risk Committee** Various enhancements and improvements suggested in relation to the operation of the City's Audit and Risk Committee.	**Low**
4.2.3	**Internal Audit** There is currently no formal internal audit function in place.	**Low**

2. Risk management

2.1. Scope and approach

Our review examined the following areas:

- Whether the Local Government has an effective risk management system and that material operating risks to the Local Government are appropriately considered;
- Whether the Local Government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time;
- The internal processes for determining and managing material operating risks in accordance with the Local Government's identified tolerance for risk, particularly in the following areas:
    - Potential non-compliance with legislation, regulations and standards and local government's policies;
    - Important accounting judgements or estimates that prove to be wrong;
    - Litigation and claims;
    - Misconduct, fraud and theft; and
    - Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government;
- Regular risk reports presented to the Audit Committee/Council, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Adequacy of the Local Government processes to manage insurable risks and ensured the adequacy of insurance cover, and if applicable, the level of self-insurance;
- Effectiveness of the Local Government's internal control system with management and the internal and external auditors;
- Whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;
- The Local Government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;
- Audit Committee meeting practices ensuring periodically meeting with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment;
- Ascertained whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.

2.2. Detailed findings and recommendations

2.2.1. Risk Management Framework and Risk Reporting

Finding Rating: High

Our review of Council's Risk Management Framework ('Framework') and discussions with key City Executive identified the following:

- Risk reports are not presented to the Audit and Risk Committee;
- There is no online centralised system to monitor work, health and safety ("WHS") risks, rather these are manually monitored;
- Corporate risk is managed through a central online system however individual officers are responsible for updating their area risks as they become due; which may result in inconsistencies across departments;
- Previously the City employed a 0.5FTE who was focused on management of corporate risks, however due to recent changes to WHS risks, this position has changed whereby there is now 1FTE focusing on WHS risks only resulting in an identified gap with the management of corporate risks to the desired level; and
- Risk Management Committee Terms of Reference states an annual evaluation of the group's effectiveness is required to be undertaken however this has not occurred due to recent turnover within the team.

Implications / Risks

Without updated policies and procedures and a centralised system to monitor organisation risks, staff may be unaware of Council and management's expectations regarding how to manage City risks.

Recommendation

We recommend the Risk Management Framework:

- Be reviewed and updated on a periodic basis. A comprehensive risk identification process may be required to be completed across all departments;
- Clear reporting requirements be documented within the Risk Framework and these reporting requirements be complied with. Ideally this would involve risk reports being presented to the Audit and Risk Committee on a quarterly basis to report emerging risks and ensure management / Council are notified of how risks are being managed;
- WHS risk management be matured through the implementation of an online centralised system;
- Corporate risk be managed by a dedicated risk officer; and
- The re-established Risk Management Committee undertake the annual evaluation as required by the Terms of Reference.

Management Comment

The City accepts the findings and recommendations and also acknowledges that its risk management systems are at a basic level of maturity. Additional resourcing is required to increase this maturity level and implementation of all of the recommendations will be reliant on additional risk resourcing. Subject to that, the recommendations could be implemented by 31 December 2023.

Responsible Officer: **Sarah Pierson, Manager Governance and Corporate Services**

Completion Date: **31 December 2023**

AMD CHARTERED ACCOUNTANTS

2.2.2. Emergency Risks and Response Management

Finding Rating: Medium

Our discussions with key City Executive relating to emergency risks management identified the following:

- There is no current risk register maintained for brigades resulting in gaps in the risk documentation identification and treatment strategies for emergency risks. An identification process for linking risk assessment with DFES requirements, training, reporting and sharing of information may be required;
- Bushfire management plan requires updating to comply with DFES required format;
- The City does not manage brigade structures and the management of emergency facilities is reactive rather than pro-active, i.e. there is no preventative maintenance plan for facilities such as painting schedule etc. Furthermore a regular walk through of brigade facilities is not currently being undertaken; and
- Service level emergency assets are not recorded on a register and there is no replacement program in place including how funding will be sourced (example: water tanks located on subdivisions gifted to the City many years ago).

Implications / Risks

Without effective risk management of brigades, emergency facilities and emergency assets, the City may be exposed to uncontrolled risks which could have catastrophic consequences and reputational impacts.

Recommendation

We recommend:

- Risk register be introduced for specific emergency services and brigades to identify, treat and monitor risks;
- The bushfire management plan be updated as required by DFES with appropriate approval and communication of the revised plan;
- A preventative maintenance and management plan be documented and implemented for brigade structures and emergency facilities including regular walkthrough of facilities; and
- Service level emergency assets be recorded on a centralised register with an initial complete identification process undertaken as the initial step and development of a replacement program considered.

Management Comment

The City accepts the findings and recommendations and have begun taking tangible steps towards addressing this risk including:

- Completing a WHS audit of emergency services and brigade management processes which will include establishment of a risk register, treatments, monitoring, and reporting. It is envisaged this mitigation work will be completed within the 2023/24 financial year.
- A holistic review of its existing Bushfire Risk Management Plan, due for review in the 2024/25 financial year. DFES are currently reviewing the State bush fire risk management planning format and required inclusions, which will inform the review.
- Development of an inventory and condition assessment of brigade structures and facilities and development of a brigade facility asset management plan; expected to be completed in the 2023/24 financial year.
- Development of an emergency management asset plan through an analysis of service level emergency assets and funding gaps / priorities.

Responsible Officer: **Rachel Runco, Manager Regulatory Services**

Completion Date: **30 June 2024 – emergency services audit and risk register, and asset management planning.**

30 June 2025 – review of Bushfire Risk Management Plan.

2.2.3. Misconduct, Fraud and Corruption Policy

Finding Rating: Medium

Our review of the current Misconduct, Fraud and Corruption Policy indicated the Policy is very limited in guidance and related processes.

Furthermore, our inquiries indicate that the Shire has not developed an ethics, fraud and corruption communications and training strategy nor are employees required to complete ethics and/or fraud and corruption awareness training.

Implications / Risks

- Risk governance and oversight responsibilities not being met.
- City employees may not understand their responsibilities with respect to misconduct, fraud and corruption.

Recommendation

We recommend that a formal Fraud and Corruption Control Plan be developed and implemented throughout the City.

The Fraud and Corruption Control Plan should incorporate:

- The City's approach to controlling fraud and corruption at a strategic, tactical and operational levels;
- The Shire's intended action in implementing and monitoring the City's fraud and corruption prevention, detection and response initiatives;
- Any existing policies dealing with fraud and corruption risk; and
- The roles and responsibilities, reporting lines of all personnel involved.

The Fraud and Corruption Control Plan should be reviewed every two years.

Furthermore, we recommend the development of a communications strategy for ethics, fraud and corruption awareness and integrate this into the fraud and corruption control plan. The strategy could include processes for:

- Ensuring all appropriate employees receive training on ethics related documents and other elements of the City's Integrity Framework at induction and throughout the period of their employment;
- Ensuring all employees receive regular fraud awareness training appropriate to their level of responsibility;
- Ensuring updates and changes to fraud-related policies, procedures, the ethical documents and other ethical pronouncements are effectively communicated to all employees; and
- Encouraging employees to report any suspected incidence of fraud or corruption.

Management Comment
Previous governance reviews have identified a similar finding in regards to having a formal Fraud and Corruption Control Plan, however work to develop this has been considered a lower or future priority noting Code of Conduct training is provided to all staff every 2 years and through new staff inductions. Having said that, we will progress work towards the development of a formal plan. The City's Induction program is currently under review and we will also look to increase fraud awareness and ethics training as part of that and as part of our next Code of Conduct training.

Responsible Officer: **Sarah Pierson, Manager Governance and Corporate Services**

Completion Date: **30 June 2024**

2.2.4. Contract Management
Finding Rating: Medium

We noted the following in respect to our review of contract management:

- The City does not have a contract management framework outlining the consistent approach to be undertaken for all City contracts;
- There is no dedicated contract manager to oversee contracts;
- There is no centralised register of City contracts, including variations maintained;
- Testing of 4 service contracts identified the following:
  - 2 instances where the OSH Obligations form had been signed by the contractor, however the City representative had not counter-signed the form;
  - An instance where the OSH Obligations form could not be provided;
  - 3 service contracts where there was no documentation maintained to evidence contractor induction;
  - An instance where a contract variation memo had not been signed by the CEO as approval;
  - 3 instances where current insurances could not be provided (i.e. insurances maintained on file were out of date);
  - The contract with the contractor providing access control system servicing and upgrading services expired in 2022; and
  - No evidence provided relating to contractor performance review.

Implications / Risks

- The City is potentially exposed to risks due to contractor non-compliance with contract terms and conditions.
- Risk contract risks are not identified, assessed and consistently managed throughout the contract.
- Risk that findings and results from a contract are not used to improve future contract processes conducted by the City.

Recommendation
We recommend Council consider:

- A contract management framework be developed incorporating policies and procedures relating to contract management;

- Consideration be given to a dedicated department which is designated responsibility to oversee contract management;
- A detailed and centralised contracts register be maintained and updated as required;
- OSH obligations forms are obtained for all contracts and signed by both the contractor and the City representative;
- Documentation to evidence contractor induction be retained;
- Contract variations be approved;
- Current insurances for City contractors be obtained and a system be implemented whereby a notification is issued when contractor insurances are due to expire;
- Contracts due to expire are re-negotiated / compliance with City procurement processes complied with; and
- A contractor performance review be designed and implemented.

Management Comment
We accept the recommendation to consider improved and more centralised management of contracts, noting the following:

- a contract management framework is likely to be required however there are concerns about how effective such a framework will be without centralised oversight or management of contracts;
- a dedicated department with responsibility for contract management is supported if achievable with existing resources (consider whether procurement and contract management functions could be centralised);
- a contracts register is a high priority with Local Government reform likely to require public registers of certain contracts in the short to medium term;
- contractor work health safety oversight and inductions as well as insurances are areas for improvement;
- an IT solution (TechnologyOne or otherwise) should be considered as a contract register and for managing contracts (manage contract expiry, insurances, required documentation call ups etc.); and
- the City has contractor performance review documentation which is available on the intranet procurement page. The use of the documentation is not mandated and it is acknowledged that it is not well utilised.

Further consideration and determination of these matters will be undertaken by the end of 2023.

Responsible Officer: **Ben Whitehill, Manager Legal and Property Services**

Completion Date: **31 December 2023**

2.2.5. Tender Management
Finding Rating: Medium

We noted the following for the one of the two tenders selected for testing:

Tender 04/22
The following documents were not provided to us at the time or subsequent to our onsite review:

- Post tender review. Our inquiries indicated there is no policy in place which requires officers to undertake a post project / tender review process.

Implications / Risks

- Risk of non-compliance with internal documentation requires.
- Lack of documentation to support project evaluation outcomes.

Recommendation

We recommend:

- All tender documentation be completed in full and retained; and
- A formal post tender/ project review process be developed for projects exceeding a predetermined dollar value or considered to be high risk.

Management Comment

The City has post tender / project review documentation which is available on the City's intranet procurement page. The use of the documentation is not mandated and it is acknowledged that it is generally not well utilised. Similar to the comments for contract management centralisation of procurement and contract management functions would facilitate reductions in risk, but is subject to resourcing limitations.

Responsible Officer: **Ben Whitehill, Manager Legal and Property Services**

Completion Date: **31 December 2023**

2.2.6. Risk Management Policies and Procedures

Finding Rating: Medium

While competing a review of the City's internal risk management policies and procedures, we noted:

(A) **<u>No Policy or Procedure</u>**

No policies or procedures in place in respect to:

- Specimen signature for officers with delegated authority.

(B) **<u>Potential Out of Date Documents</u>**

Document	Last Revision Date / Comments
Code of Conduct – Employees	Approved 24 May 2021. Does not specify next scheduled review date
Code of Conduct for Council Members, Committee Members and Candidates	Approved 28 April 2021. Does not specify next scheduled review date
Contractor OHS Management Operational Practice	21 October 2019 Stated next review due 3 yearly - 21 October 2022
Drug and Alcohol Staff Management Practice	18 May 2018 Stated next review due 6 monthly - 18 November 2018
OSH Objectives and Targets Operational Practice	3 September 2019 Stated next review due 3 yearly – 3 September 2022
Personal Protective Equipment Operational Practice	5 May 2020 Stated next review due 3 yearly – 5 May 2023

Misconduct, Fraud and Corruption Council Policy	27 August 2019 Stated next review due 3 yearly – 27 August 2022
Media and Public Statements Council Policy	12 February 2020 Stated next review due 3 yearly – 12 February 2023
Environment Council Policy	10 October 2018 Stated next review due 3 yearly – 10 October 2021
Bushfire Risk Management Plan 2019-2024	Plan refers to AS/NZS ISO 31000:2009 which has been replaced with 2018 version.
Asset Management Council Policy	2 November 2019 Stated next review due 3 yearly – 2 November 2022
Events Council Policy	12 August 2020 Stated next review due 3 yearly – 12 August 2023
Waste Collection Services Council Policy	31 October 2019 Stated next review due 3 yearly – 31 October 2022
Waste Management Facility and Plant reserve Council Policy	12 September 2018 Stated next review due 3 yearly – 12 September 2021
Social Media Personal Use Operational Practice	19 June 2018 Stated next review due 3 yearly – 19 June 2021
Performance Improvement and Discipline Operational Practice	June 2017 Stated next review every 2 years – June 2019
Numerous Policies and Operational Practices	Approved by former CEO, Mike Archer

Our review of policies and procedures was limited to those which were provided during our onsite visit.

Implications / Risks
Lack of policies and/or procedure evidencing specific risks to the City. In addition, outdated policies and procedures may not reflect the actual practices followed by City representatives.

Recommendation
We recommend the following:

- Policies and procedures be developed and implemented for those identified areas of risk highlighted at (A) above; and
- Those potentially out of date policies and procedures identified (B) above, be reviewed and updated accordingly.

Management Comment
The City acknowledges there are a number of policies and procedures that are due for review. As noted during the Audit a review schedule has been put in place with completion of the reviews by the end of the 2023/2024 financial year.

Responsible Officer: Sarah Pierson, Manager Governance and Corporate Services

Completion Date: **30 June 2024**

2.2.7. IT Strategic Plan and Business Continuity Plan Testing
Finding Rating: Medium

We noted the following with respect to IT Strategies (and risk management) and the Business Continuity Plan (Disaster Recovery Plan):

- The City of Busselton Strategic IT Plan is currently in draft and not yet formally adopted; and
- Testing of the Business Continuity Plan / Disaster recovery Plan was last completed in 2019 with no formal testing or review since this date.

Implication / Risk

- Lack of approved documentation outlining the City's IT strategies.
- Risk of significant delays and business interruption in the event of unforeseen events.
- Risk of inappropriate preparation for business interruption events identified in the Business Continuity Plan.

Recommendation

We recommend:

- The IT Strategic Plan be finalised and approved for implementation; and
- The Business Continuity Plan be tested on pre-determined basis to ensure that in the event of a disaster, appropriate actions can be taken.

Management Comment

Development of the ICT Strategic Plan is ongoing and will be a focus between now and it's delivery. We are aiming to have this completed and published by 30 September 2023.

The Business Continuity Plan (BCP) will be tested by the end of the 2023 calendar year, with a regular testing schedule determined.

The updated ICT Disaster Recovery Plan (DRP) has been drafted and is being reviewed by relevant members of the ICT team. We are aiming to have this completed and published by 30 June 2023. A tabletop exercise to test the ICT DRP will be scheduled once it has been published to raise awareness within the team and test the processes to make sure they are accurate.

Responsible Officer: **Tim Allignham, Manager Information Services**

Completion Date: **31 December 2023**

2.2.8. Lease Management
Finding Rating: Low

Overall our review and testing of processes in place relating to lease management indicated internal controls are adequate and have been effectively implemented for the review period.

However we noted one instance whereby current insurance had not been obtained for the Busselton Bowling Club (insurance certificate of currency maintained on file expired 21 September 2021).

Implications / Risks
The City is potentially exposed to risks due to lessee's non-compliance with lease terms and conditions.

Recommendation
We recommend current insurances be obtained as required by City leases and a system be implemented whereby a notification is issued when lease insurances are due to expire.

Management Comment
The City has a call up system for expired certificates of currency for leases. In the particular example cited the insurance was followed up in September 2022 but the officers were not provided with updated certificates of currency by the Busselton Bowling Club. Unfortunately this was not further followed up. Controls will be put in place to ensure that in further follow ups occur.

Responsible Officer: **Ben Whitehill, Manager Legal and Property Services**

Completion Date: **30 June 2023**

3. Internal controls

3.1. Scope and approach

Our review examined the following areas:

- Segregation of roles and functions, processing and authorisation controls;
- Delegations of authority (completeness and adherence);
- Documented policies and procedures;
- The effectiveness of policy and process reviews;
- Approval of documents, letters and financial records;
- Management internal reviews undertaken in respect to comparison of internal data with external sources of information;
- The adequacy of internal controls;
- Security controls in respect to physical access to assets and records;
- Security controls in respect to computer applications and information systems (general and application IT controls);
- Access limits placed on data files and systems;
- Whether the maintenance and review of financial control accounts and trial balances is regular and appropriate;
- Key management internal reviews undertaken in respect to comparison and analysis of financial results with budgeted amounts;
- Key management internal reviews undertaken in respect to the arithmetical accuracy and content of records;
- Controls in respect to purchasing and payment of accounts;
- Effectiveness of the training and development plan for staff and elected members;
- Reporting, review and approval of financial payment and reconciliations; and
- Physical cash and inventory count records when compared to accounting records.

3.2. Detailed findings and recommendations

3.2.1. Business Activity Statement ("BAS") Lodgement Relief

Finding Rating: Low

Our inquiries indicated the Finance Coordinator is the only employee with access to the portal to lodge BAS.

Implications/Risks

Lack of backup and relief for a key legislative compliance function.

Recommendation

We recommend an additional delegated employee be provided access to the portal to lodge BAS in case the Finance Coordinator was not available.

Management Comment

We will provide additional employees with access to the portal as recommended.

Responsible Officer: **Paul Sheridan, Manager Financial Services**

Completion Date: **31 December 2023**

AMD
CHARTERED ACCOUNTANTS

4. Legislative compliance

4.1. Scope and approach

Our review examined the following areas:

- Internal monitoring of compliance with legislation and regulations;
- The Local Government's ability to stay informed regarding legislative changes;
- The Local Government's completion of the annual Compliance Audit Return and reporting the results of that review to the Audit Committee and Council;
- The monitoring of the Local Government's structured guidelines that detail the Local Government's processes for meeting statutory obligations (compliance frameworks);
- Communications between key management and the Audit Committee to ensure the Audit Committee is informed in respect to the effectiveness of the Local Government's compliance and recommendations for changes as required;
- The Local Government's procedures in respect to receiving, retaining and handling complaints, including confidential and anonymous employee complaints;
- Key managements internal review processes in respect to the identification of adverse trends and management plans to address these;
- Management disclosures in financial reports of the effect of significant compliance issues (if any);
- The internal and / or external audit contracts include an assessment of compliance and ethics risks in the development of the audit plan and in the conduct of audit projects, and report compliance and ethical issues to the Audit Committee; and
- The Audit Committee's processes and procedures in respect to compliance with legislative and regulatory compliance ensuring no misuse of position through adequate disclosure of conflicts of interest.

AMD CHARTERED ACCOUNTANTS

4.2. Detailed findings and recommendations

4.2.1. Compliance Calendar

Finding Rating: Medium

We noted the City does not have a centralised Compliance Calendar.

Implications / Risks

Risk of non-compliance with legislative requirements.

Recommendation

We recommend the City develop a centralised Compliance Calendar to be accessed and utilised by individual City staff as required.

Management Comment

The City has recently purchased the Attain compliance system for management of its returns, delegations, and gift processes. There is also a compliance calendar module which allows for scheduling of key compliance tasks, and which will be implemented by the end of the 2023/2024 financial year. Officers understand through discussions during the audit that this recommendation is broader in nature and is more focused on development of a register of legislative requirements by position. Clarification as to the focus of this recommendation is sought, although the City will consider development of such a register. In terms of priorities and resourcing however it is considered to be a lower priority than other recommendations.

Responsible Officer: **Sarah Pierson, Manager Governance and Corporate Services.**

Completion Date: **30 June 2024**

4.2.2. Audit and Risk Committee

Finding Rating: Medium

We noted the following:

- There are no risk reports presented to the Audit and Risk Committee;
- Audit and Risk Committee meeting agendas do not include a standing agenda item to update the status of actions previously tabled and agreed; and
- Audit and Risk Committee agendas do not include a standing item regarding effectiveness of compliance at the City.

Implications/Risks

- Risk of governance and oversight responsibilities not being met.
- Risk the Local Government Act and Regulations are not being regularly assessed.

Recommendation

We recommend:

- Risk reports be presented at each Audit and Risk Committee meeting;
- Audit and Risk Committee meeting agendas include a standing item relating to updating on the status of actions previously tabled, and the discussion of risk; and

- Audit and Risk Committee meeting agendas include a standing item relating to compliance and the effectiveness of compliance at the City.

Management Comment
The City acknowledges and accepts the recommendations in relation to risk reports being presented to the Audit and Risk Committee meeting and a standing item being presented in relation to previously tabled actions. As per earlier comments, the City's risk management function is operating at a basic level of maturity and requires additional resourcing.

In relation to the recommendation for a standing agenda item relating to the effectiveness of compliance at the City, the City notes it annually provides a Compliance Audit Return to the Committee along with findings from the annual OAG Financial and IT Audits. The City is not clear on what additional reporting in relation to legislative compliance would achieve, noting we do support the recommendation below in relation to internal audit.

Responsible Officer: **Sarah Pierson, Manager Governance and Corporate Services**

Completion Date: **30 June 2024**

4.2.3. Internal Audit
Finding Rating: Low

We noted that the City does not currently have a formal documented internal audit program in place.

Implications/Risks
Risk of non-compliance with Department of Local Government, Sport and Cultural Industries Guidelines recommended practices.

Recommendation
The Department of Local Government, Sport and Cultural Industries guidelines recommend an internal audit function be established incorporating an internal audit program which is re-assessed annually.

We recommend the City consider an internal audit function overseen by the Audit and Risk Committee.

Management Comment
The City is audited on a regular basis by the OAG in relation to its financial systems and processes and also information management systems. The City has, in addition, been considering the development of a broader internal audit function and has commenced discussions with other local governments as well as AMD in relation to the structure and options for such a function. The City will prepare a report for the Audit and Risk Committee in relation to this, noting it will have resourcing implications.

Responsible Officer: **Sarah Pierson, Manager Governance and Corporate Services**

Completion Date: **30 September 2023**

Guidance on Risk Assessment

Risk is uncertainty about an outcome. It is the threat that an event, action or non-action could affect an organisation's ability to achieve its business objectives and execute its strategies successfully. Risk is an inherent component of all service activities and includes positive as well as negative impacts. As a result not pursuing an opportunity can also be risky. Risk types take many forms – business, economic, regulatory, investment, market, and social, just to name a few.

Risk management involves the identification, assessment, treatment and ongoing monitoring of the risks and controls impacting the organisation. The purpose of risk management is not to avoid or eliminate all risks. It is about making informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of an organisation's objectives by maximising opportunities and minimising adverse effects.

The risk guidelines stated below are based on the City of Busselton's 2021 Risk Management Framework.

Our guidance to risk classification in completing our review is as follows:
Measure of Likelihood of Risk
Likelihood is the chance that the event may occur given knowledge of the organisation and its environment.

The following tables provide broad descriptions to support the likelihood rating:

		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood	Almost Certain	M11	H16	H20	E23	E25
	Likely	L7	M12	H17	H21	E24
	Possible	L4	M8	M13	H18	E22
	Unlikely	L2	L5	M9	M14	H19
	Rare	L1	L3	L6	M10	M15

Where:

L = Low Risk
M = Medium Risk
H = High Risk
E = Extreme Risk

**Above Extracted from the City's Risk Management Framework.*

Rating	Description	Frequency
Rare	May occur but only in exceptional circumstances	1 in 10,000 - 100,000 Less than once in fifteen years
Unlikely	Could occur at some time	1 in 1,000 to 10,000 At least once in fifteen years
Possible	Should occur at some time in the future	1 in 100 - 1,000 At least once in five years
Likely	Will probably occur in most circumstances	1 in 10 - 100 At least once a year
Almost Certain	Is expected to occur in most circumstances	> 1 in 10 More than once a year

**Above Extracted from the City's Risk Management Framework.*

Measure of Consequence of Risk

Consequence is the severity of the impact that would result if the event were to occur. The following table provides broad descriptions to support the consequence rating:

Rating	Insignificant	Minor	Moderate	Major	Catastrophic
Public Health / Safety	First aid injury	Medical treatment injury	Hospitalisation injury	Multiple serious injuries causing hospitalisation	Death or permanent disability
OSH	First aid injury	Medical treatment injury	Lost Time Injury (< 30 days)	Lost Time Injury (> 30 days)	Death or permanent disability
Financial	< $ 25k	$ 25k to $250k	$ 250k to $ 1m	$ 1m to $ 10m	> $ 10m
Operational	Inconvenient delays with recovery within acceptable timeframe	Moderate delays to service delivery with unacceptable recovery time or inconvenient delays to major deliverables	Significant delays to service delivery with unacceptable recovery time or significant delays to major deliverables	Interruption of service delivery > 1 month or non-achievement of key objectives	Indeterminate prolonged interruption of services – non-performance > 3 months
Reputational	Minor adverse local community comment or complaint	Minor media interest with low news profile, e.g. local paper	Public embarrassment, moderate news profile (including TV)	High news profile, third party action(e.g. legal)	Widespread national news profile, formal government inquiry
Environmental	Brief pollution but no environmental harm	Minor environmental harm	Moderate environmental harm with mid term recovery	Significant long term environmental harm	Catastrophic, long term environmental harm

**Above Extracted from the City's Risk Management Framework.*

7 CONFIDENTIAL MATTERS

OFFICER RECOMMENDATION

That the meeting is closed to members of the public to discuss the following item which is confidential.

This report contains information of a confidential nature in accordance with Section 5.23(2(f)(ii) of the *Local Government Act 1995*, as it contains information relating to a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property.

8 NEXT MEETING DATE

9 CLOSURE