AGENDA

Late Reports
Risk Management & Audit Committee Meeting
Friday, 20 October 2023

Date: **Friday, 20 October 2023**

Time: **9:00 AM**

Location: **Meeting Room 1 Bidjpidji**
Level 1, Civic Centre
Harry Chan Avenue, Darwin

Simone Saunders
Chief Executive Officer

Order Of Business

6   ACTION REPORTS

6.7   RISK REVIEW AND ASSESSMENT - OCTOBER 2023

Author:	**Senior Risk and Assurance Advisor**
Authoriser:	**Corporate Compliance Officer**
Attachments:	**1. Risk Heatmap Report - Strategic Risk Extract** ⇩
	2. Risk Heatmap Report - Operational Risk Extract ⇩
	3. Risk Heatmap Report - WHS Risk Extract ⇩

RECOMMENDATIONS

1.   THAT the report entitled Risk Review and Assessment October 2023 be received and noted.

PURPOSE

The purpose of this report is to provide an update to the Risk Management and Audit Committee (RMAC) on Council's Risk Management environment, including progress on the implementation of the Camms system.

KEY ISSUES

- A copy of the Strategic Risk Register Heatmap has been provided as an attachment to this report.

- The Finance operational risk register has been refined since the previous meeting of the Committee where it was presented as an in-progress register.

- There are currently no further workshops in the forward schedule ahead of a full review and re-prioritisation of the internal risk register roadmap expected over the coming quarter.

- A risk register for the Bundilla Beach Masterplan and Civic Centre Redevelopment have been added to the Project Risk Register.

- Preparation of a project plan for development of the obligations register is due to occur over the coming quarter.

- A revised implementation date of June 2024 has been announced for the Incident module.

- The Cyclone Plan and related sub-plans are under review, with the plans to be tested in full during the training week, ahead of Plan sign-off once testing has been completed.

- The format of the training exercise has been revised to provide added focus on specialist areas such as emergency waste management.

- Outcomes focused tools are being implemented to manage anti-social behaviour in City of Darwin facilities and buildings, however there is a zero-tolerance approach for violence and aggression.

- Tools to manage anti-social behaviour and promote desired behaviour, largely based on the Ayers-Braithwaite responsive regulation model are being used across City of Darwin Libraries and Customer Service.

DISCUSSION

At the previous RMAC meeting held in June 2023, the Committee was provided an update on the implementation of the Camms Enterprise Risk Management System, encompassing modules for the management of Council's risk register, audit programs, incidents, and compliance requirements.

City of Darwin Risk Registers

Since the last meeting of the Committee, work has been ongoing against the Strategic, Operational, and Project risk registers. The WHS risk register has been split from the Operational risk register for ease of visibility against this key risk area, and the ICT Roadmap also has its own register in Camms.

The September risk review cycle sees all risks with a residual risk rating of extreme, high, medium, and low undertake a full review of the inherent and residual risks against the risk controls and actions. The table below outlines the review frequency based on the residual risk rating of each risk, with the higher risks requiring a higher frequency of review.

Risk review deadlines and frequency													
Residual risk rating		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Extreme	Monthly												
High	Bi-monthly												
Medium	Quarterly												
Low	Half-yearly												
Very low	Annual												

Across all risk registers and risk types, a total of 157 risks have been identified to date. A summary of the residual risk ratings of all risk types is provided below:
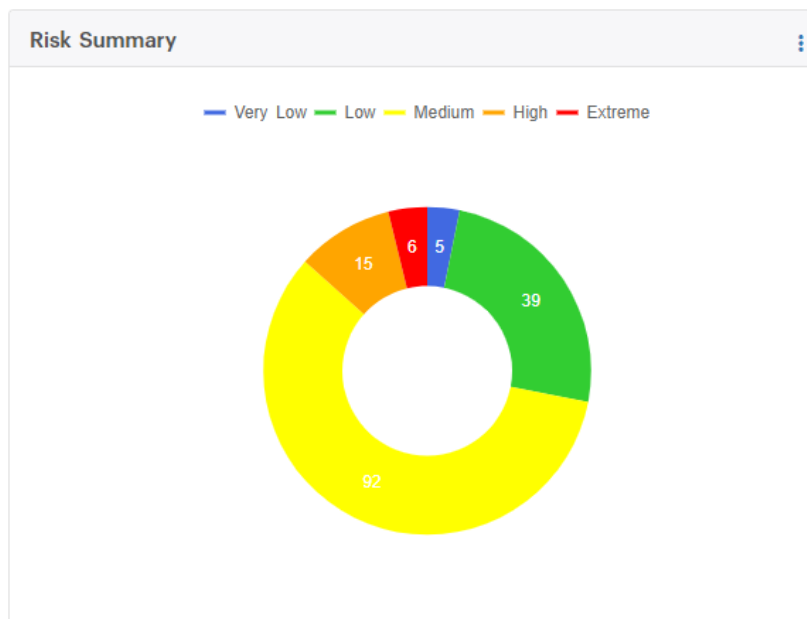
Camms.Risk recently undertook an upgrade to the interface and system functionality, with a body of work undertaken by the team to test the new system and update relevant guidance documents.

Strategic Risk

Since the previous meeting of the Committee, the Strategic Risk Register has undergone several review cycles, with the most recent being completed for the September period. A copy of the risk summary is provided as **Attachment 1** to this report.

Operational Risk

Over the recent quarter, the most significant changes in the risk environment can be seen in the areas of Finance, and Property, which have been workshopped and recorded in Camms.

A refined and consolidated register for the Finance team has been prepared after two further workshops were held during the period. A first review was undertaken with the team for the September reporting period, and the risks will now fall into the scheduled review cycle. Three of these Finance risks are out of appetite, with clear actions outlined to assist in reducing the risk.

A total of four workshops were held with the Property team to develop a comprehensive risk register, now totalling eight key risks. A number of these risks have been identified as out of appetite against the approved risk appetite benchmark, and actions have been prepared to address these risks.

The remaining items in the Operational Risk Register have undergone their regularly scheduled review cycle, with the risk summary presented as **Attachment 2** to this report.

Camms risk education is ongoing across the organisation, and work areas are being trained in the system as their registers come online. This training is supported by guidance documents which have been prepared and are available for staff to access via the Intranet. Team members are also able to access one-on-one training with the subject matter expert as required.

Workshops are being held in line with operational priorities with the flexibility to reschedule or adapt scheduled workshops to meet organisational needs. There are currently no further operational workshops scheduled ahead of a review and re-prioritisation of the internal risk register roadmap. There are currently two operational risk registers in draft form, both partially completed and awaiting a priority assessment ahead of recommencement, these are for Program Management, and the Workshop.

The WHS Risk Register has been separated from the Operational Register and the risk summary is provided as **Attachment 3** to this report. The initial ICT Roadmap Risk Register has been established, and work is ongoing as part of the program management framework.

Project Risk

The Project Risk Register has seen further development since the last meeting of the Committee, with a completed register for the Bundilla Beach Masterplan Project and the Civic Centre Redevelopment now loaded into Camms. A full risk review was undertaken against these projects and all others for the September period.

An initial risk register was prepared for the ECM Upgrade Project at project commencement in March 2023, and once a rollout plan was established in September 2023 three additional risk workshops were held to re-assess the current state of the project. The risk workshops, in conjunction with the Camms risk identification and action process has seen significant benefits for the project planning, implementation, and rollout phases for this project with several process

deficiencies identified and managed in a clear, coordinated, and effective manner.

There are two additional projects currently in draft form, with additional work due to re-commence over the coming period. It is expected that the Shoal Bay Waste Management Facility (SBWMF) Stage 7 Expansion, and SBWMF Stage 2 Construction risk registers will be operational in Camms ahead of the next meeting of the Committee.

A summary of the individual project registers is provided below:

Projects	Status
Casuarina Aquatic and Leisure Centre Redevelopment	Risk review complete
ECM Upgrade 2023	Risk review complete
Civic Centre Redevelopment	Risk review complete
Bundilla Beach Masterplan	Risk review complete
SBWMF Stage 7 Expansion	Under development
SBWMF Stage 2 Construction	Under development

Camms Modules

As previously advised to the Committee, implementation of the Strategy, Risk, Audit, Incident and Compliance modules are now complete. Notifications and workflows for Audit, Risk, and Compliance are operational, with team members receiving task reminders across these modules.

A body of work is underway by the Compliance team to reconcile the documents currently held within the compliance registers to ensure external documents are being reviewed at the correct frequency based on the legislation and/or the Council decision. The Compliance team are also actively working with individual sections to ensure their internal policies, procedures, and guidelines are registered in Camms. A project plan for organisation-wide development of the obligations register is due to commence over the coming period, further information will be available to share at the next meeting of the Committee.

The implementation of the Incident module, and sub-components of Inspection and Induction are still ongoing. Work has commenced on this project, with planned implementation by end of financial year 2024.

Emergency Management

The 2023/24 review of the Cyclone Plan and the sub plans for each function group is well underway and on track for testing during the Incident Management Training which commences on 31 October 2023 ahead of the Plan's final sign-off post-training week.

This year City of Darwin will conduct incident management training between 31 October 2023 and 3 November 2023. This training will include training on the Guardian Incident Management System and will include an emergency exercise.

Once again, the exercise will focus on our ability to prepare, respond, and recover from a cyclone event; however, this year the exercise will be a progressive exercise conducted across the week to allow staff to learn and participate in a range of alternate functions, and allow us to

include a stronger focus on specialist areas within Council. For example, this year will have a stronger focus on identifying 'unknowns' regarding emergency waste management.

Along with the targeted emergency waste management components of this exercise, we will also consider the longer-term post incident financial security of Council by testing our existing systems to accurately account for expenditure to maximise any claim under the Disaster Recovery Funding Arrangements administered by the National Emergency Management Authority.

Security

There continues to be increased instances of antisocial behaviour in the Northern Territory and this is evident within, or in the vicinity of our buildings and public facilities.

We have adopted a zero-tolerance approach to violence and aggression within or around our buildings and facilities and apply a range of 'outcomes focussed' tools to promote compliance and drive self-regulation.

Regulating antisocial behaviour uses the same principles as regulating any other activity to promote the desired behaviour. These tools that may at times appear to be punitive; however, it is because the punitive tools often receive the most amount of attention, while the most successful strategies that result in 'self-regulation' are used far more frequently but receive limited attention. These tools are largely based on the Ayers-Braithwaite responsive regulation model.

PREVIOUS COUNCIL RESOLUTION

N/A

STRATEGIC PLAN ALIGNMENT	6 Governance Framework 6.3 Decision Making and Management
BUDGET / FINANCIAL / RESOURCE IMPLICATIONS	N/A
LEGISLATION / POLICY CONTROLS OR IMPACTS	N/A
CONSULTATION, ENGAGEMENT & COMMUNICATION	N/A
DECLARATION OF INTEREST	The report author does not have a conflict of interest in relation to this matter. The report authoriser does not have a conflict of interest in relation to this matter. If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).

Heatmap Report

City of Darwin

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Print Date: 16-Oct-2023

City of Darwin   Heatmap Report

HEATMAP

City of Darwin	Heatmap Report

RISK SUMMARY

Strategic Risk

No.	Risk Title	Inherent	Residual	Trend
1	SR - 1 - Be financially sustainable into the long term	High	Low	↔
2	SR - 2 - Develop & facilitate effective relationships & partnerships & manage key stakeholders & their expectations	Medium	Low	↓
3	SR - 3 - Attract, retain and develop our people to our culture	High	Medium	↔
4	SR - 4 - Effectively design & implement fit for purpose contemporary governance practices	Extreme	Low	↓
5	SR - 5 - Prepare for, respond to, and recover from internal/external critical events	High	Very Low	↔
6	SR - 6 - Support the safety & wellbeing of staff and the community	High	Very Low	↔
7	SR - 7 - Operate in compliance with regulatory environment	High	Low	↓
8	SR - 8 - Be innovative with everything it does	High	Low	↔
9	SR - 9 - Identify, deliver and maintain the right infrastructure assets	Extreme	Medium	↔
10	SR - 10 - Maintain long term planning and thinking	High	Low	↓
11	SR - 11 - Design, implement & evolve the way that it delivers value to its internal & external customers	Medium	Very Low	↔
12	SR - 12 - Establish itself as a credible government for Darwin	Medium	Low	↔

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Heatmap Report

City of Darwin

Camms.

Print Date: 16-Oct-2023

City of Darwin
Heatmap Report

HEATMAP

Consequence

Likelihood

Legend				
Very Low	Low	Medium	High	Extreme

● Inherent ○ Residual

Additional overflowing risks denoted by the (+) icon:

Moderate x Possible	OR - 113, OR - 112, OR - 112, OR - 21
Moderate x Unlikely	OR - 90, OR - 25, OR - 129, OR - 19, OR - 92, OR - 23, OR - 21, OR - 86
Severe x Almost Certain	OR - 98, OR - 107, OR - 115, OR - 126, OR - 91

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City of Darwin	Heatmap Report

RISK SUMMARY

FINANCE

No.	Risk Title	Inherent	Residual	Trend
20	OR - 105 - Finance systems and GL structure not meeting needs	Extreme	High	↔
14	OR - 107 - Accounts Payable fraud	Extreme	Very Low	↔
19	OR - 110 - Material mis-statements and qualified accounts	Extreme	Low	↔
46	OR - 111 - Succession and workforce planning	High	High	↔
60	OR - 112 - Role clarity	Medium	Medium	↔
59	OR - 113 - Policies and procedures	Medium	Low	↔
15	OR - 115 - Legislative compliance	Extreme	Low	↔
43	OR - 117 - Loss of revenue	High	Medium	↔
44	OR - 118 - Debt and debtor management	High	Medium	↔

ICT SERVICES

No.	Risk Title	Inherent	Residual	Trend
11	OR - 87 - Information held by City of Darwin not secured	Extreme	Medium	↓
9	OR - 88 - Cyber Attack: Malware, random-ware, hacking, DOS attacks, internal and external threats	Extreme	Medium	↓
10	OR - 89 - Fraud using ICT systems	Extreme	Medium	↔
35	OR - 90 - Inadequate staff education in ICT	High	Medium	↔
12	OR - 91 - Aged ICT infrastructure and software	Extreme	Medium	↔
55	OR - 92 - ICT resourcing and education	Medium	Medium	↓
32	OR - 93 - ICT Disaster Recovery	High	Medium	↓

INFRASTRUCTURE

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No.	Risk Title	Inherent	Residual	Trend
41	OR - 96 - Management of internal project communications	High	Medium	↓
25	OR - 97 - Project management procedures, processes, workflows and templates	Extreme	Low	↔
13	OR - 98 - Project budget planning	Extreme	Medium	↔
22	OR - 99 - Project budget management	Extreme	Medium	↔
23	OR - 100 - Unsuitable systems and software	Extreme	Medium	↔
24	OR - 101 - Contractor management	Extreme	Low	↔
47	OR - 102 - Contract management	High	Low	↔
37	OR - 103 - Resourcing and work planning	High	Low	↔
45	OR - 104 - Succession planning	High	Low	↔

INNOVATION AND INFORMATION SERVICES

No.	Risk Title	Inherent	Residual	Trend
28	OR - 18 - Mismanagement of personal information	High	Medium	↔
52	OR - 19 - Non-compliance with FOI process	High	Medium	↔
53	OR - 20 - Mismanagement of privacy issues associated with CCTV infrastructure	High	Medium	↔

OPERATIONS

| | City of Darwin | | | Heatmap Report |

No.	Risk Title	Inherent	Residual	Trend
51	OR - 1 - Accurate cost capture	High	Low	↔
61	OR - 2 - Inadequate corporate systems	Low	Low	↔
1	OR - 3 - Process for staff to have appropriate competencies and qualification	Extreme	Medium	↔
27	OR - 4 - Insufficient policies and procedures in operational areas	Extreme	Medium	↔
2	OR - 5 - Ageing workforce	Extreme	Medium	↔
26	OR - 7 - Unable to recruit and retain qualified specialist staff	Extreme	Low	↔
3	OR - 8 - Security of Operations Centre	Extreme	Medium	↔

PROCUREMENT

No.	Risk Title	Inherent	Residual	Trend
58	OR - 21 - Inaccurate procurement needs analysis	Medium	Medium	↔
56	OR - 22 - Inadequate Vendor Selection and Management	Medium	Low	↔
57	OR - 23 - Emergency Supply Chain Management	Medium	Medium	↔
40	OR - 24 - Manual procurement process	High	Medium	↔
39	OR - 25 - Fraud and Corruption in Procurement	High	Medium	↔

PROPERTY

No.	Risk Title	Inherent	Residual	Trend
	City of Darwin		Heatmap Report	
17	OR - 123 - Compliance with legislation	Extreme	High	
48	OR - 124 - Lack of policy and procedures	High	Medium	
42	OR - 125 - Property portfolio not managed effectively	High	High	
16	OR - 126 - Lack of property data and information	Extreme	High	
49	OR - 127 - Disposals and acquisitions not made with highest community and economic benefit	High	Medium	
21	OR - 128 - Non-compliant buildings	Extreme	High	
50	OR - 129 - Security of facilities	High	Medium	
36	OR - 130 - Succession planning and single-point sensitivities	High	Medium	

WASTE MANAGEMENT

City of Darwin			Heatmap Report

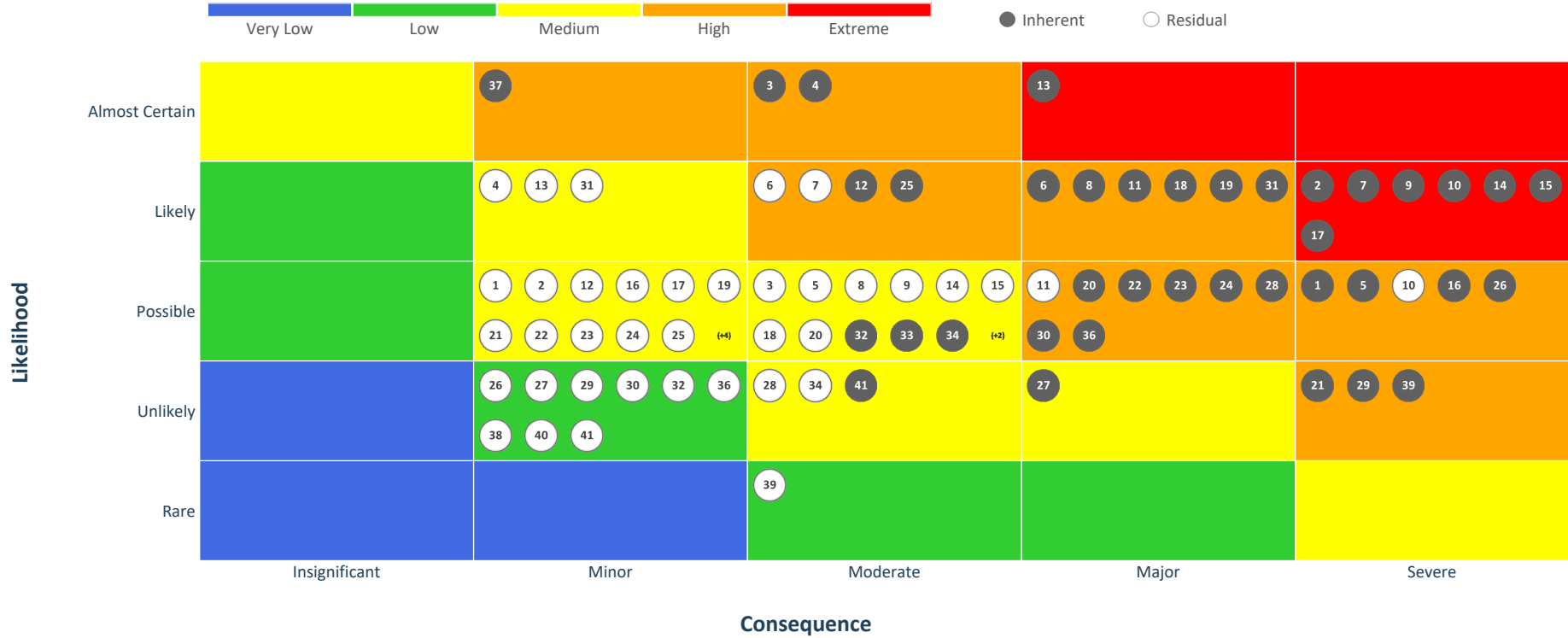| No.	Risk Title	Inherent	Residual	Trend
4	OR - 9 - Regulatory non compliance with EPA obligations	Extreme	Medium	↓
5	OR - 10 - Lack of appropriate Waste Service staff	Extreme	Low	↔
6	OR - 11 - Leachate damage to the environment	Extreme	Medium	↔
33	OR - 12 - Contractor provided services	High	Medium	↑
29	OR - 14 - Site Safety	High	Medium	↔
7	OR - 15 - Adequate waste storage capacity	Extreme	Medium	↔
54	OR - 16 - Waste being received that is outside of EPL	High	Medium	↔
8	OR - 17 - Fire at SBWMF	Extreme	Medium	↓
34	OR - 86 - Lightning Strike	High	Medium	↔
30	OR - 94 - Financially unsustainable operation at SBWMF	High	Medium	↓
31	OR - 95 - Emergency Waste Management	High	Medium	↑
38	OR - 120 - Unexploded Ordinances	High	Low	
18	OR - 121 - Weighbridge operations failure	Extreme	Medium	

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Heatmap Report

City of Darwin

Camms.

Print Date: 10-Oct-2023

HEATMAP

Additional overflowing risks denoted by the (+) icon:

Minor x Possible	WHS - 35, WHS - 37, WHS - 38, WHS - 33
Moderate x Possible	WHS - 40, WHS - 35

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City of Darwin	Heatmap Report

RISK SUMMARY

WHS Risk

No.	Risk Title	Inherent	Residual	Trend
1	WHS - 1 - Incident Management	High	Medium	
2	WHS - 2 - Notifiable Incidents	Extreme	Medium	
3	WHS - 3 - Work Health and Safety Induction	High	Medium	
4	WHS - 4 - Work Health and Safety Training and Development	High	Medium	
5	WHS - 5 - High Risk Construction Activities (require SWMS)	High	Medium	
6	WHS - 6 - Contractor Management	High	High	
7	WHS - 7 - WHS Risk Management	Extreme	High	
8	WHS - 8 - WHS Strategic Management	High	Medium	
9	WHS - 9 - CEO and Executive WHS Due Diligence	Extreme	Medium	
10	WHS - 10 - WHS Legislative Compliance	Extreme	High	
11	WHS - 11 - WHS Responsibilities and Accountabilities	High	High	
12	WHS - 12 - WHS Consultation	High	Medium	
13	WHS - 13 - WHS Resources	Extreme	Medium	
14	WHS - 14 - Fitness for Work	Extreme	Medium	
15	WHS - 15 - Exposure to nuisance and hazardous noise levels from work activities.	Extreme	Medium	
16	WHS - 16 - First Aid	High	Medium	
17	WHS - 17 - Hazardous Chemical and Dangerous Goods Management	Extreme	Medium	
18	WHS - 18 - Hazardous Manual Tasks	High	Medium	
19	WHS - 19 - Plant and Equipment	High	Medium	
20	WHS - 20 - Chain of Responsibility - National Heavy Vehicle Legislation	High	Medium	

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No.	Risk Title	Inherent	Residual	Trend
21	WHS - 21 - Vehicle Use	High	Medium	
22	WHS - 22 - Working remotely or alone	High	Medium	
23	WHS - 23 - Excavation and Trenching Activities	High	Medium	
24	WHS - 24 - Permit to Work and Plant and Equipment Isolation	High	Medium	
25	WHS - 25 - Event Management	High	Medium	
26	WHS - 26 - Electrical Safety	High	Low	
27	WHS - 27 - Respirable Crystalline Silica	Medium	Low	
28	WHS - 28 - Concrete Pumping	High	Medium	
29	WHS - 29 - Working in the Sun and the Heat	High	Low	
30	WHS - 30 - Emergency Management	High	Low	
31	WHS - 31 - Rehabilitation and Return to Work	High	Medium	
32	WHS - 32 - WHS Culture	Medium	Low	
33	WHS - 33 - WHS Records Management	Medium	Medium	
34	WHS - 34 - Infection Control from exposure to flora, fauna, biological hazards	Medium	Medium	
35	WHS - 35 - WHS Audit, Monitoring and Review	Medium	Medium	
36	WHS - 36 - Public Safety	High	Low	
37	WHS - 37 - Interactions with members of the public - managing difficult customers / members of the public	High	Medium	
38	WHS - 38 - Personal security and safety	Medium	Low	
39	WHS - 39 - Hazardous Weather Conditions	High	Low	
40	WHS - 40 - Biological Hazards and Waste	Medium	Low	
41	WHS - 41 - Cash handling security	Medium	Low	

10-Oct-2023

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9 CLOSURE OF MEETING TO THE PUBLIC

THAT 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 Confidential Items of the Agenda.

RECOMMENDATIONS

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 99(2) of the Local Government Act:

12.10   Asset Management Update

This matter is considered to be confidential under Section 99(2) - 51(c)(i) of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person.