



Business Papers

Risk Management & Audit Committee Meeting

**Friday, 31 March 2017
9.00am**



Notice of Meeting

To the Lord Mayor and Aldermen

You are invited to attend a Risk Management & Audit Committee Meeting to be held in Meeting Room 1, Level 1, Civic Centre, Harry Chan Avenue, Darwin, on Friday, 31 March 2017, commencing at 9.00am.

A handwritten signature in blue ink, appearing to read 'Anna Malgorzewicz', is placed above the printed name.

ANNA MALGORZEWICZ
ACTING CHIEF EXECUTIVE OFFICER

OPEN SECTION

RMAC03/1

CITY OF DARWIN

RISK MANAGEMENT & AUDIT COMMITTEE MEETING

FRIDAY, 31 MARCH 2017

MEMBERS: Mr Iain Summers (Chair); Member G J Haslett; Member M Palmer; Mr Craig Spencer.

OFFICERS: Chief Executive Officer, Mr Brendan Dowd; General Manager Corporate Services, Dr Diana Leeder; Team Coordinator Risk Audit & Safety, Mr Tony Simons; Finance Manager, Mr Miles Craighead; Executive Assistant Corporate Services, Ms Julie Gordon.

Enquiries and/or Apologies: Julie Gordon
E-mail j.gordon@darwin.nt.gov.au - PH: 89300 539
OR Phone Committee Room 1, for Late Apologies - PH: 89300 519

Committee's Responsibilities

THAT pursuant to Local Government Act Section 32(2)(b), Council delegate to the Risk Management & Audit Committee the powers to make decisions relating to:

- follow up issues arising from internal and external audits*
 - the management of outstanding and completed audit issues registers*
 - the receipt and acceptance of strategic and operational risk assessments*
-
-

***** INDEX *****

PAGE

1.	MEETING DECLARED OPEN	5
2.	APOLOGIES AND LEAVE OF ABSENCE	5
3.	ELECTRONIC MEETING ATTENDANCE	5
4.	DECLARATION OF INTEREST OF MEMBERS AND STAFF	5

OPEN SECTION

RMAC03/2

5.	CONFIDENTIAL ITEMS	6
6.	WITHDRAWAL OF ITEMS FOR DISCUSSION	6
7.	CONFIRMATION OF MINUTES PERTAINING TO THE PREVIOUS RISK MANAGEMENT & AUDIT COMMITTEE MEETING	
	• Friday, 28 October 2016.....	7
8.	BUSINESS ARISING FROM THE MINUTES PERTAINING TO THE PREVIOUS RISK MANAGEMENT & AUDIT COMMITTEE MEETING	
8.1	Business Arising	7
9.	DEPUTATIONS AND BRIEFINGS	7
10.	OFFICERS REPORTS	
10.1	Workplace Health & Safety Committee – Progress Report	8
10.2	Outstanding Audit Issues – Fines and Infringements Audit	21
10.3	Provision of Auditing Services	24
10.4	Risk Management Framework.....	28
11.	INFORMATION ITEMS	
11.1	Outstanding Audit Issues Register	31
12.	GENERAL BUSINESS.....	36

OPEN SECTION

RMAC03/3

Risk Management & Audit Committee Meeting – Friday, 31 March 2017

1. MEETING DECLARED OPEN

The Chairman declared the meeting open at _____ a.m.

2. APOLOGIES AND LEAVE OF ABSENCE

Common No. 2695036

2.1 Apologies

THAT the apology from Member _____, be received.

2.2 Leave of Absence Granted

Nil

3. ELECTRONIC MEETING ATTENDANCE

Common No. 2221528

Nil

3.1 Electronic Meeting Attendance Granted

Nil

4. DECLARATION OF INTEREST OF MEMBERS AND STAFF

Common No. 2752228

4.1 Declaration of Interest by Members

4.2 Declaration of Interest by Staff

OPEN SECTION

RMAC03/4

Risk Management & Audit Committee Meeting – Friday, 31 March 2017

5. **CONFIDENTIAL ITEMS**

Common No. 1944604

5.1 **Closure to the Public for Confidential Items**

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 following Items:-

<u>Item</u>	<u>Regulation</u>	<u>Reason</u>
C17.1	8(c)(i)	information that would, if publicly disclosed, be likely to cause commercial prejudice to, or confer an unfair commercial advantage on, any person

5.2 **Moving Open Items Into Confidential**

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 following Items:-

<u>Item</u>	<u>Regulation</u>	<u>Reason</u>
-------------	-------------------	---------------

5.3 **Moving Confidential Items Into Open**

THAT pursuant to Section 65(2) of the Local Government Act and Regulation 8 of the Local Government (Administration) Regulations the following Items be moved into Open:-

<u>Item</u>	<u>Regulation</u>	<u>Reason</u>
-------------	-------------------	---------------

6. **WITHDRAWAL OF ITEMS FOR DISCUSSION**

THAT the Committee resolve under delegated authority that all Information Items and Officers Reports to the Risk Management & Audit Committee Meeting held on Friday, 31 March 2017 be received and considered individually.

OPEN SECTION

RMAC03/5

Risk Management & Audit Committee Meeting – Friday, 31 March 2017

7. CONFIRMATION OF MINUTES PERTAINING TO THE PREVIOUS RISK MANAGEMENT & AUDIT COMMITTEE MEETING

THAT the Committee resolve that the minutes of the previous Risk Management & Audit Committee Meeting held on Friday, 28 October 2016, tabled by the Chairman, be received and confirmed as a true and correct record of the proceedings of that meeting.

8. BUSINESS ARISING FROM THE MINUTES PERTAINING TO THE PREVIOUS RISK MANAGEMENT & AUDIT COMMITTEE MEETING

8.1 Business Arising

9. DEPUTATIONS AND BRIEFINGS

Nil

**ENCL: RISK MANAGEMENT & AUDIT
YES COMMITTEE/OPEN**

AGENDA ITEM: 10.1

WORKPLACE HEALTH & SAFETY COMMITTEE - PROGRESS REPORT

REPORT No.: 17A0030 TS:jg

COMMON No.: 3490322

DATE: 31/03/2017

Presenter: Team Leader, Risk, Audit & Safety, Tony Simons

Approved: General Manager Corporate Services, Diana Leeder

PURPOSE

The purpose of this report is to inform the Risk Management & Audit Committee as to progress on implementation of outstanding audit recommendations per the Outstanding Audit Issues Register.

LINK TO STRATEGIC PLAN

The issues addressed in this Report are in accordance with the following Goals/Strategies of the City of Darwin 2012 – 2016 as outlined in the 'Evolving Darwin Towards 2020 Strategic Plan':-

Goal

5 Effective and Responsible Governance

Outcome

5.3 Good governance

Key Strategies

5.3.3 Understand and manage Council's risk exposure

KEY ISSUES

- All outstanding issues from the audit of the Work Health and Safety Management System (WHSMS) have been completed, with the exception of the new Contractor Management Standard which is due to be presented to the Executive Leadership Team in April 2017.

PAGE: 2
 REPORT NUMBER: 17A0030 TS:jg
 SUBJECT: WORKPLACE HEALTH & SAFETY COMMITTEE - PROGRESS REPORT

RECOMMENDATIONS

THAT the Committee resolve under delegated authority:-

- A. THAT Report Number 17A0030 TS:jg entitled Workplace Health & Safety Committee - Progress Report, be received and noted.
- B. THAT outstanding audit issues numbered: 3.2.6.1, 3.2.6.2 and 3.4.6.9 be transferred to the Completed Audit Issues Register.
- C. THAT a final report on the implementation of the Contractor Management Standard (issues 3.4.1.2 and 3.4.6.7) be presented at the July 2017 Risk Management & Audit Committee Meeting.

BACKGROUND

Marsh Inc. conducted an audit of Council's Workplace Health & Safety Management System (WHSMS) in March 2016.

The WHSMS was found to be compliant with applicable standards however a number of improvement recommendations were issued.

DISCUSSION

Outstanding Issue 3.2.6.1

Implement the recommended 'treatment plans' as identified in the Operations Risk Assessment (Revision 4) June 2015 and the 'corrective actions' of the City of Darwin WHS audit report (Marsh Inc.) to reduce the overall risk profile for the City of Darwin. In addition to the identified 'treatment and corrective action plans', consider implementing a Safety Leadership Training program and/or a Behavioural Risk Improvement (BRI) program to assist with embedding a positive safety culture within the City of Darwin.

- *Staff induction to WHS responsibilities has previously been included as a component of the general staff induction. The Risk & WHS Officer now conducts a stand-alone and mandatory WHS induction of all new staff.*
- *A specific WHS Leadership component has been included in Council's Leadership Development Program.*
- *The Risk & WHS Officer presents on current WHS issues at team meetings for outdoor workers.*
- *A reporting program has been implemented by the TC Risk Audit & Safety to prepare monthly WHS performance reports to the Team Leaders and Coordinators of the Civil Works and Parks Teams, and the Rangers Teams.*

Outstanding Issue 3.2.6.2

Conduct a review of the JSEA program and format in consultation with the end user group to identify how Job Safety & Environment Analysis (JSEA) can be best

PAGE: 3
 REPORT NUMBER: 17A0030 TS:jg
 SUBJECT: WORKPLACE HEALTH & SAFETY COMMITTEE - PROGRESS REPORT

applied. Consider using generic Safe Work Method Statement (SWMS) and not adding an additional JSEA form to the risk management process, rather incorporating a 'Part B' into the SWMS form if it is determined to be required.

- *The JSEA program has been revised in line with the audit recommendation by the TC Risk Audit & Safety, the WHS & Risk Officer, and the Senior HR Advisor based at the Operations Centre.*
- *Process based SWMS are now in place which reduces the need for workers to prepare daily process JSEAs [refer Attachment A]*
- *A site audit is undertaken and any changes to risks identified in the SWMS are noted, and SWMS updated accordingly.*

Outstanding Issue 3.4.6.9

Ensure that WHS component of the contractor tender process is reviewed by a suitably qualified worker. Consider what information is requested to determine contractor suitability.

- *WHS components of the tendering process is monitored by the Team Coordinator Risk Audit & Safety in conjunction with the Contracts & Tenders Officer. The Australian Standard for WHS Management Systems (AS 4801) is used as a guide to determining suitability of contractor systems.*

Outstanding issues 3.4.1.2 and 3.4.6.7

- *A new process for managing contractors' WHS obligations has been implemented. The Risk & WHS Officer now conducts contractor site inductions for all non-public tender contractors. This induction includes reviewing documentation for managing WHS risk supplied by the contractor.*
- *The Contractor management Standard has been redrafted to reflect the current processes and is due to be presented to the Executive Leadership Team shortly. The standard will be used to manage contractors in one of two ways; contractors responding to public tenders will need to include their WHS Management systems as part of the tender response; all non-public tender based contractors will undertake site induction programs.*

CONSULTATION PROCESS

Nil

POLICY IMPLICATIONS

Nil

BUDGET AND RESOURCE IMPLICATIONS

Nil

PAGE: 4
REPORT NUMBER: 17A0030 TS:jg
SUBJECT: WORKPLACE HEALTH & SAFETY COMMITTEE - PROGRESS REPORT

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Understand and manage Council's risk exposure

ENVIRONMENTAL IMPLICATIONS

nil

COUNCIL OFFICER CONFLICT OF INTEREST DECLARATION

We the Author and Approving Officers declare that we do not have a Conflict of Interest in relation to this matter.

TONY SIMONS
TEAM COORDINATOR
RISK, AUDIT & SAFETY

DIANA LEEDER
GENERAL MANAGER
CORPORATE SERVICES

For enquiries, please contact Tony Simons on 8930 0573 or email:
t.simons@darwin.nt.gov.au.

ATTACHMENT A: Example of Generic SMWS

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction

ATTACHMENT A



Start Date:	20/12/2016	Expiry Date:	20/01/2017	Reviewed By Team Coordinator		Team Leader Name: Alejandro Gamuza	Date of Review (Only required if reviewed as part of an incident investigation between start and expiry date):	
SPECIAL INSTRUCTIONS: 1 RISK IDENTIFICATION AND ASSESSMENT MUST BE CARRIED OUT FOR ALL JOBS PRIOR TO COMMENCEMENT OF WORK 2 ALL PERSONS MUST BE ADVISED OF RISKS ASSOCIATED WITH THE JOB AND THE SAFE WORK METHODS TO BE ADOPTED TO CONTROL THE RISK								

Task sequence	Identified hazards in task	Inherent Risk			Controls Put In Place	Residual Risk		
		Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
1. General precautions	<ul style="list-style-type: none"> Working Outdoors 	Catastrophic	Possible	Extreme	<ul style="list-style-type: none"> All appropriate PPE must be worn including Hi Vis. Ensure that persons working outdoors are protected from solar UV radiation wearing long sleeve shirts and sunscreen. Refer to SWMS 026 – Working Outdoors 	Minor	Possible	Medium
2. Site safety and security	<ul style="list-style-type: none"> Unauthorised access 	Moderate	Possible	Medium	<ul style="list-style-type: none"> Ensure that secure man-proof fence is erected around site to prevent access. Provide locks on all gates to prevent access when site is unattended. Hazard Tape and signage 	Moderate	Rare	Low
3. Site access	<ul style="list-style-type: none"> Uneven ground or objects blocking walking area 	Moderate	Possible	Medium	<ul style="list-style-type: none"> Ensure that safe means of access to and through worksite is maintained. Keep access areas clear of tools, materials and equipment. (Housekeeping) 	Moderate	Rare	Low

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



Task sequence	Identified hazards in task	Inherent Risk			Controls Put In Place	Residual Risk		
		Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
4. Traffic and pedestrians	<ul style="list-style-type: none"> Collision 	Catastrophic	Possible	Extreme	<ul style="list-style-type: none"> Ensure that passing traffic and pedestrians are kept well clear of work area when working on footpaths and adjacent to roads. Traffic Management to be as per relevant Traffic Control Diagram in the Traffic Control Diagram – Job Safety Risk Assessment Book Refer to SWMS 011 – Working on Roads 	Major	Possible	Medium
	<ul style="list-style-type: none"> Uneven ground or objects blocking walking area 	Moderate	Possible	Medium	<ul style="list-style-type: none"> Provide safe access for pedestrians through or past work area (Traffic control). Provide storage area for material. Provide bins for scrap and waste. Provide through route if possible. 	Moderate	Rare	Low
5. Plant and machinery	<ul style="list-style-type: none"> Collision 	Catastrophic	Possible	Extreme	<ul style="list-style-type: none"> Flashing light on the top of vehicle must be on Persons working in areas where plant and machinery is operating should wear high-visibility garments at all times. Persons must not operate plant or machinery unless they hold an appropriate licence or certificate, and are authorised to do so. Refer to relevant plant/machinery SOP and other relevant SWMS. Do not allow unauthorised or unlicensed operation. Use a spotter if reversing or operating in a tight working space. Traffic Control 	Moderate	Rare	Low

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



Task sequence	Identified hazards in task	Inherent Risk			Controls Put In Place	Residual Risk		
		Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
	<ul style="list-style-type: none"> Collision 	Catastrophic	Possible	Extreme	<ul style="list-style-type: none"> Ensure that adequate space is provided for vehicles to enter and manoeuvre. Spotter to be used when reversing or in a tight working areas. Signage Traffic Control Drive slowly 	Moderate	Rare	Low
6. Excavation	<ul style="list-style-type: none"> Persons falling 	Moderate	Rare	Low	<ul style="list-style-type: none"> Provide suitable means of preventing persons falling into open trenches, etc. Remove spoil away from edge of trench or excavation to prevent tripping. Refer to SWMS 005 – Backhoe, Excavator Operations Refer to SWMS 033 – Excavation Works Refer to SOP 026 – Backhoe and Other Excavation Machinery Erect barrier around open trenches or excavations which are left unattended. Use rails, mesh, fencing, etc. (Tape or strapping is not an effective means of barricading). Refer to SWMS 060 – Barricading Work Sites 	Minor	Rare	Low
7. Boxing and formwork	<ul style="list-style-type: none"> Cuts, splinters 	Minor	Possible	Medium	<ul style="list-style-type: none"> Ensure that wooden boxing material is free of nails, etc, before handling. Wear gloves when handling rough, sharp or oily timber. 	Minor	Rare	Low
	<ul style="list-style-type: none"> Objects in eyes 	Minor	Rare	Low	<ul style="list-style-type: none"> Ensure that timber is free of concrete, dirt, etc, before cutting, Wear eye protection. 	Minor	Rare	Low

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



Task sequence	Identified hazards in task	Inherent Risk			Controls Put In Place	Residual Risk		
		Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
	• Concrete stuck to Formwork	Minor	Almost Certain	High	<ul style="list-style-type: none"> Use Diesel to stop concrete from sticking to formwork. Ensure Diesel SDS is available and read. 	Insignificant	Rare	Low
	• Damage to tools	Major	Possible	High	<ul style="list-style-type: none"> Use correct tools to cut boxing to size and shape required. Refer to SOP 021 – Drop Saw Refer to SOP 023 – Power Hack Saw Refer to SOP XXX – Hand Saw Refer to SOP XXX – Hand Tools 	Minor	Rare	Low
	• Over-exertion / strain injury	Moderate	Almost Certain	Extreme	<ul style="list-style-type: none"> Obtain assistance to handle heavy or awkward lengths and sheets. Refer to SWMS 027 – Manual Handling 	Minor	Rare	Low
8. Reinforcing steel	• Cuts	Major	Possible	High	<ul style="list-style-type: none"> Avoid contact with sharp ends of cut reinforcing bars and mesh sheets. Wear gloves Tape sharp ends Star picket caps for sharp edges 	Minor	Rare	Low
	• Over-exertion / strain injury	Moderate	Almost Certain	Extreme	<ul style="list-style-type: none"> Obtain assistance when handling long, awkward or heavy reinforcing. Refer to SWMS 027 – Manual Handling 	Minor	Rare	Low
	• Trip of person	Minor	Almost Certain	High	<ul style="list-style-type: none"> Avoid walking in areas where reinforcing mesh has been placed Safety caps for sharp edges Watch where you walk 	Minor	Possible	Medium
	• Objects in eyes	Moderate	Possible	Medium	<ul style="list-style-type: none"> Keep other persons clear of affected area when cutting steel with grinder. 	Minor	Rare	Low

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



Task sequence	Identified hazards in task	Inherent Risk			Controls Put In Place	Residual Risk		
		Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
9. Placement of concrete	<ul style="list-style-type: none"> Delivery 	Catastrophic	Possible	Extreme	<ul style="list-style-type: none"> Ensure that adequate room is available for concrete truck to park safely and for workers to move around rear of truck when delivering concrete. Ensure that sufficient space is available at hopper for concrete to be transferred from delivery truck to pump unit. Clear means of communication between truck driver and pump operator must be provided. Use person to control traffic. Use of spotter when working with plant 	Minor	Possible	Medium
	<ul style="list-style-type: none"> Pumping 	Catastrophic	Possible	Extreme	<ul style="list-style-type: none"> Keep all persons other than those directly involved in delivery and pumping clear of truck and hopper area when pumping concrete. Keep clear of moving machinery. Do not use faulty equipment. Ensure head protection is worn. 	Moderate	Rare	Low
	<ul style="list-style-type: none"> Use of wheel barrows 	Major	Possible	High	<ul style="list-style-type: none"> Ensure that barrows are suitable for the task, and that tyres are correctly inflated. Use industrial barrows only. Provide clear path for barrows, and bridge or similar over obstructions. Refer to SWMS 027 – Manual Handling 	Moderate	Possible	Medium

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



Task sequence	Identified hazards in task	Inherent Risk			Controls Put In Place	Residual Risk		
		Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
10. Screeding	<ul style="list-style-type: none"> Over-exertion / strain injury 	Moderate	Almost Certain	Extreme	<ul style="list-style-type: none"> Avoid moving heavy loads of concrete with screed - use shovel to remove excess concrete or to top-up holes. Adopt ergonomically sound working position to avoid back strain. Observe correct lifting and handling practices. Refer to SWMS 027 – Manual Handling 	Minor	Rare	Low
	<ul style="list-style-type: none"> Skin Irritation 	Major	Likely	Extreme	<ul style="list-style-type: none"> Avoid skin contact with wet concrete – protect exposed skin areas. Wear boots, gloves, barrier cream when handling concrete. 	Minor	Rare	Low
11. Trowelling / finishing	<ul style="list-style-type: none"> Over-exertion / strain injury 	Moderate	Almost Certain	Extreme	<ul style="list-style-type: none"> Use long handled float or mechanical float to finish concrete where possible. Keep clear of moving blades when using mechanical float to finish. Squat instead of bending when edging and placing construction joints. Refer to SWMS 027 – Manual Handling Refer to SOP XXX – Concrete Trowel (Mechanised) 	Minor	Rare	Low
12. Stripping and clean-up	<ul style="list-style-type: none"> Over-exertion / strain injury 	Moderate	Almost Certain	Extreme	<ul style="list-style-type: none"> Adopt ergonomically sound position when stripping and removing boxing. Refer to SWMS 027 – Manual Handling 	Minor	Rare	Low
	<ul style="list-style-type: none"> Cuts and skin irritation 	Major	Possible	High	<ul style="list-style-type: none"> Remove nails from timber forms, and oil before placing into rack or store. Wear gloves and barrier cream when handling rough or sharp materials and wet concrete. 	Minor	Rare	Low

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



Task sequence	Identified hazards in task	Inherent Risk			Controls Put In Place	Residual Risk		
		Consequence	Likelihood	Rating		Consequence	Likelihood	Rating
	<ul style="list-style-type: none"> Set residue on items 	Moderate	Almost Certain	Extreme	<ul style="list-style-type: none"> Ensure that all tools, floats, barrows, etc, are cleaned before concrete sets on or in them. Wash concrete off boots, gloves, etc, before it sets. 	Insignificant	Rare	Low
	<ul style="list-style-type: none"> Objects in walking area 	Moderate	Possible	Medium	<ul style="list-style-type: none"> Place scrap material in bin immediately – do not allow to accumulate. Tidy up worksite. 	Moderate	Rare	Low

Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



3 EASY STEPS TO HAZARD/RISK MITIGATION

A. IDENTIFY THE HAZARD

Hazards can be visible or invisible, obvious or hidden. To identify potential hazards, the following questions may be asked (this is not a complete list):

1. Can any body part get caught in or between objects?
2. Do tools, machines or equipment present any hazards?
3. Can the worker make harmful contact with objects?
4. Can the worker slip, trip or fall?
5. Can the worker suffer a strain from lifting, pushing or pulling?
6. Is the worker exposed to extreme heat or cold?
7. Is excessive noise or vibration a problem?
8. Is there a danger from falling objects?
9. Is lighting a problem?
10. Can weather conditions affect safety?
11. Is harmful radiation a possibility?
12. Can contact be made with hot, toxic or caustic substances?
13. Are there dusts, fumes, mists or vapours in the air?

B. ASSESS THE RISK

1. Pick a hazard Consequence from the table below:

Consequences	
Catastrophic	Potential to be fatal. Permanent disability. Destruction of property or plant.
Major	Serious injury. Long term disability. Major damage to plant, property or environment.
Moderate	Potential for injury resulting in medical attention. Damage to plant, property or environment.
Minor	Injury requiring First Aid treatment and / or short term discomfort.
Insignificant	Cause a near miss or hazard, needs to be reported

2. Pick a hazard Likelihood from the table below:

Likelihood	
Almost Certain	Will occur several times each year; has been logged regularly; is known as an industry issue
Likely	May occur once per year; has been logged several times; I would not be surprised if it happened
Possible	May occur during a 5 yearly period; has been logged at least once; 50 : 50 chance it will happen
Rare	May occur during a 10 year period; is conceivable but has not occurred; I would be very surprised if it happened

3. Cross reference the consequence and likelihood in the matrix below:

	Consequences				
Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	M	H	E	E	E
Likely	L	M	H	E	E
Possible	L	M	M	H	E
Rare	L	L	L	M	H

What to do if the Residual Risk is:

(E) Extreme - Activity MUST be re-planned and/or re-designed. If this is not possible, an independent Hazard Assessment of the activity is to be completed by the Coordinator/Manager prior to developing the SWMS.

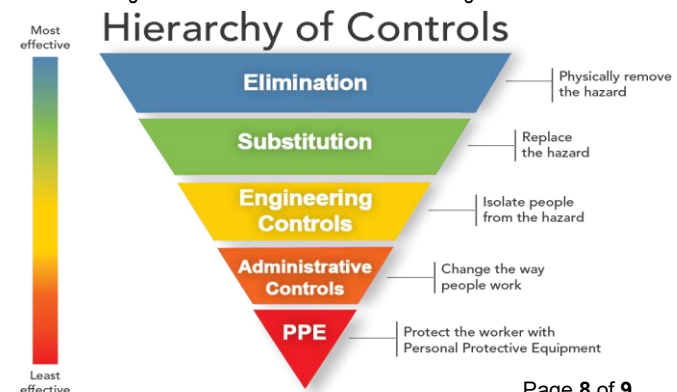
(H) High - Activity MUST be reviewed by Supervisor (or representative) and have identified risk controls built into the SWMS, JSEA and/or SOP.

(M) Medium - Ensure that controls are appropriate and effective before task is commenced.

(L) Low - Minimal risk, monitor where work changes.

C. CONTROL THE HAZARD

Start at the top, elimination being the most effective control and working down to PPE as the least effective control.



Safe Work Method Statement (SWMS)

002-01 Concrete Slab Construction



Think **Safety**
Work **Safely**
Live **Safe**

Workers Involved in Job Task

We, the undersigned, confirm that we:

- Have been consulted regarding the above SWMS and that its content is clearly understood.
- Understand and agree with the risk controls in consideration of each hazard identified in the context of the described task.
- Understand that whenever a new hazard is identified and its presence may substantially affect the manner in which the work is being carried out work shall not proceed until the hazard has been appropriately controlled and all involved have affirmed its adequacy.

[illegible]

ENCL: NO	RISK MANAGEMENT & AUDIT COMMITTEE/OPEN	AGENDA ITEM: 10.2
OUTSTANDING AUDIT ISSUES - FINES AND INFRINGEMENTS AUDIT		
REPORT No.: 17A0038 TS:jg	COMMON No.: 3304380	DATE: 31/03/2017

Presenter: Team Coordinator - Risk, Audit & Safety, Tony Simons

Approved: General Manager Corporate Services, Diana Leeder

PURPOSE

The purpose of this report is to report to the Risk Management and Audit Committee (RMAC) on the progress of implementation of outstanding audit issues arising from the audit of Council's Fines & Infringements processes.

LINK TO STRATEGIC PLAN

The issues addressed in this Report are in accordance with the following Goals/Strategies of the City of Darwin 2012 – 2016 as outlined in the 'Evolving Darwin Towards 2020 Strategic Plan':-

Goal

5 Effective and Responsible Governance

Outcome

5.3 Good governance

Key Strategies

5.3.1 Demonstrate good corporate practice and ethical behaviour

KEY ISSUES

- KPMG were engaged to conduct an audit of Fines and Infringements process in May 2016.
- Two high priority recommendations were accepted and transferred to the Outstanding Audit Issues Register.
- Suggested corrective actions for the two recommendations have now been implemented.

RECOMMENDATIONS

THAT the Committee resolve under delegated authority:-

- THAT Report Number 17A0038 TS:jg entitled Outstanding Audit Issues - Fines and Infringements Audit, be received and noted.
- THAT Outstanding Audit Issues numbered 4.1 and 4.2 be transferred to the Completed Audit Issues Register.

PAGE: 2
 REPORT NUMBER: 17A0038 TS:jg
 SUBJECT: OUTSTANDING AUDIT ISSUES - FINES AND INFRINGEMENTS AUDIT

BACKGROUND

The City of Darwin engaged KPMG to conduct an internal audit of Fines & Infringements in May 2016. The audit undertook an examination and assessment of the process efficiency, completeness and compliance with legislation in relation to the issuing, processing, managing objections to infringements and rescinding or waiving of infringements.

DISCUSSION

The overall objective of the audit was to review the system of internal controls and management processes providing reasonable assurance that adequate management controls exist to mitigate risk and maximise opportunity.

Two recommendations arose from the audit which were deemed to be of high priority and were subsequently transferred to the Outstanding Audit Issues Register.

Corrective actions for these two items have now been implemented.

Outstanding Audit Issue 4.1

1. Prioritise the purchase of new hand-held devices.

New hand held devices for issuing and recording infringements have been purchased and are now in use from March 2017.

2. Investigate and incorporate broader technological benefits for the recording of data when updating the hand-held units.

New hand held devices (android devices) with enhanced data recording capabilities are now in use from March 2017.

3. Reinforce the requirement for officers to maintain a notebook to legal standard.

Standardised notebooks have been introduced.

Outstanding Audit Issue 4.2

1. Reinforce the requirement to have a signed movement slip prior to withdrawal of any infringements.

This has been implemented by the Supervisor, Regulatory Services Administration.

2. Investigate opportunities for systems to include a dual authorisation process.

This cannot be implemented in the current system.

PAGE: 3
REPORT NUMBER: 17A0038 TS:jg
SUBJECT: OUTSTANDING AUDIT ISSUES - FINES AND INFRINGEMENTS AUDIT

CONSULTATION PROCESS

Nil

POLICY IMPLICATIONS

Nil

BUDGET AND RESOURCE IMPLICATIONS

Nil

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Nil

ENVIRONMENTAL IMPLICATIONS

Nil

COUNCIL OFFICER CONFLICT OF INTEREST DECLARATION

We the Author and Approving Officers declare that we do not have a Conflict of Interest in relation to this matter.

TONY SIMONS
TEAM COORDINATOR - RISK,
AUDIT & SAFETY

DIANA LEEDER
GENERAL MANAGER
CORPORATE SERVICES

For enquiries, please contact Tony Simons on 89300573 or email:
t.simons@darwin.nt.gov.au.

**ENCL: RISK MANAGEMENT & AUDIT
NO COMMITTEE/OPEN**

AGENDA ITEM: 10.3

PROVISION OF AUDITING SERVICES

REPORT No.: 17A0003 MC:jg

COMMON No.: 1784009

DATE: 31/03/2017

Presenter: Manager Finance, Miles Craighead

Approved: General Manager Corporate Services, Diana Leeder

PURPOSE

The purpose of this report is to assist the Committee to recommend to Council the appointment of an external auditor in respect of the 2016/17 General Purpose Financial Statements.

LINK TO STRATEGIC PLAN

The issues addressed in this Report are in accordance with the following Goals/Strategies of the City of Darwin 2012 – 2016 as outlined in the 'Evolving Darwin Towards 2020 Strategic Plan':-

Goal

5 Effective and Responsible Governance

Outcome

5.3 Good governance

Key Strategies

5.3.1 Demonstrate good corporate practice and ethical behaviour

KEY ISSUES

- The Committee's terms of reference include "advise the Council about the appointment of external auditors".
- The Councils contract 2013/009 "Provision of Audit Services" was awarded to Merit Partners for a period of four financial years from 1 July 2012 to 30 June 2016 and is now completed.
- Council is able to offer Merit Partners an extension of the existing instrument of appointment for one more financial year from 1 July 2016 to 30 June 2017 (maximum permitted is five years) to undertake the audit of the General Purpose Financial Statements for 2016-17.

PAGE: 2
 REPORT NUMBER: 17A0003 MC:jg
 SUBJECT: PROVISION OF AUDITING SERVICES

RECOMMENDATIONS

THAT it be a recommendation to Council:-

- A. THAT Report Number 17A0003 MC:jg entitled Provision Of Auditing Services, be received and noted.
- B. THAT the current instrument of appointment of Auditor be extended to the maximum term of five years to cover the period 1 July 2016 to 30 June 2017.

BACKGROUND

Merit Partners was originally appointed by Council as its auditors after seeking expressions of interest from suitably qualified persons and firms to cover four financial years 1 July 2012 to 30 June 2016.

DISCUSSION

The current appointment of Merit Partners as Council's Auditors falls short of the maximum period of 5 years. It can be extended for one year to cover the period 1 July 2016 to 30 June 2017. This will coincide with the Council elections.

Whenever new auditors are appointed there is significant additional work for staff and a learning curve for the Audit team to adapt to the Council's environment. Council's Auditors are governed by professional standards and must declare any conflict of interest. An extension is administratively simple and will be less disruptive to productivity at this time while there are other organisational change initiatives.

Merit Partners is a local firm. There are benefits in maintaining and retaining local expertise.

Following the elections in 2017 the newly appointed Council could be presented with competitive options for up to a five year audit appointment. Although the current Northern Territory legal requirements do not require competitive proposals this has been past practice.

CONSULTATION PROCESS

In preparing this report, the following External Parties were consulted:

- Merit Partners
- Division of Local Government

POLICY IMPLICATIONS

The Committees terms of reference include "advise the Council about the appointment of external auditors".

PAGE: 3
 REPORT NUMBER: 17A0003 MC:jg
 SUBJECT: PROVISION OF AUDITING SERVICES

BUDGET AND RESOURCE IMPLICATIONS

Fees to be offered for an extension of the audit appointment would be based on 2015/16 agreed fee.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Section 133 of the Local Government Act.

Auditor

- (1) *A council must have an auditor.*
- (2) *The auditor must be:*
 - (a) *the Auditor-General; or*
 - (b) *a registered company auditor or an authorised audit company; or*
 - (c) *a firm whose members include a registered company auditor.*
- (3) *A person is not eligible to be the auditor if the person:*
 - (a) *is a member or a candidate for election as a member of the council; or*
 - (b) *holds any other office or position with the council.*
- (4) *The council must, in the instrument of the auditor's appointment:*
 - (a) *fix the term of appointment (which must not be less than 2 nor more than 5 years); and*
 - (b) *fix the basis of the auditor's remuneration.*
- (5) *The office of auditor becomes vacant if:*
 - (a) *the auditor dies; or*
 - (b) *the auditor resigns by written notice to the CEO; or*
 - (c) *the auditor becomes a candidate for election as a member of the council or accepts some other remunerated office or position with the council; or*
 - (d) *the auditor's term of office comes to an end and the auditor is not re-appointed; or*
 - (e) *the auditor is removed from office by the council with the Minister's consent.*

The combined effect of the Local Government Accounting Regulations and ministerial guidelines is that competitive quotes are not required. In any case this is not relevant at the moment if the Council chooses to extend the current instrument of appointment for another year.

PAGE: 4
REPORT NUMBER: 17A0003 MC:jg
SUBJECT: PROVISION OF AUDITING SERVICES

Once an instrument of appointment lapses nothing precludes entering into another instrument of appointment for another five years with the same auditor if the auditor is willing and that is what the Council decides.

ENVIRONMENTAL IMPLICATIONS

Nil.

COUNCIL OFFICER CONFLICT OF INTEREST DECLARATION

We the Author and Approving Officers declare that we do not have a Conflict of Interest in relation to this matter.

MILES CRAIGHEAD
MANAGER FINANCE

DIANA LEEDER
GENERAL MANAGER
CORPORATE SERVICES

For enquiries, please contact Miles Craighead on 89300523 or email:
m.craighead@darwin.nt.gov.au.

**ENCL: RISK MANAGEMENT & AUDIT
NO COMMITTEE/OPEN**

AGENDA ITEM: 10.4

RISK MANAGEMENT FRAMEWORK

REPORT No.: 17A0010 TS:jg

COMMON No.: 2363571

DATE: 31/03/2017

Presenter: Team Coordinator Risk, Audit & Safety, Tony Simons

Approved: General Manager Corporate Services, Diana Leeder

PURPOSE

The purpose of this report is to inform the Risk Management & Audit Committee (RMAC) on progress with the various elements of Council's risk management framework.

LINK TO STRATEGIC PLAN

The issues addressed in this Report are in accordance with the following Goals/Strategies of the City of Darwin 2012 – 2016 as outlined in the 'Evolving Darwin Towards 2020 Strategic Plan' :-

Goal

5 Effective and Responsible Governance

Outcome

5.3 Good governance

Key Strategies

5.3.3 Understand and manage Council's risk exposure

KEY ISSUES

- Council's risk management framework has been managed through Microsoft Office word documents since its inception. A new automated on-line risk management system has been developed and tested and a demonstration of the system will be presented at this meeting.
- Council's risk management framework includes an automated control-self assessment program (CSA) that has had to be manually updated from risk assessments. A new CSA program has been developed which links directly to the new risk management program.
- It is intended that the risk management and CSA systems will come on line in July 2017 following the implementation of the new organisational structure for Council's operational departments.

PAGE: 2
REPORT NUMBER: 17A0010 TS:jg
SUBJECT: RISK MANAGEMENT FRAMEWORK

RECOMMENDATIONS

THAT the Committee resolve under delegated authority:-

THAT Report Number 17A0010 TS:jg entitled Risk Management Framework, be received and noted.

DISCUSSION

Risk Assessments

The four departmental risk assessments are currently managed through Microsoft Office word documents. These are reviewed continually throughout the year to ensure outcomes from internal audits and control self-assessment reviews are incorporated into the assessments.

A new automated risk management system has been developed and tested and data is being loaded from the original word based risk assessments.

A new organisational structure has been developed and will be effective as at 1 July 2017.

In conjunction with both of these initiatives, the operational risk assessments are being fully reviewed to ensure that they align correctly with the new structure and the Municipal Plan contents.

The strategic risk assessment will be reviewed in full following the election of the new Council in August 2017 and the development of the new Strategic Plan.

Control Self-assessment Program

The control self-assessment (CSA) program is expected to be implemented under the new CSA software system on 1 July 2017 and reported to RMAC in March 2018.

Business Continuity Planning

The business continuity plans for essential Council functions was first undertaken over the period of December 2011 and January 2012. An upgraded version of the continuity system was implemented in July 2015.

Further revision of the continuity plans will commence in January 2018 to align with the new organisational structure.

CONSULTATION PROCESS

This report was considered by the Executive Leadership Team on 20 March 2017 and now referred to the Risk Management & Audit Committee for consideration.

PAGE: 3
 REPORT NUMBER: 17A0010 TS:jg
 SUBJECT: RISK MANAGEMENT FRAMEWORK

POLICY IMPLICATIONS

Nil

BUDGET AND RESOURCE IMPLICATIONS

Nil – funding for development of the new risk and CSA system was met within existing budget.

RISK/LEGAL/LEGISLATIVE IMPLICATIONS

Understand and manage Council's risk exposure.

ENVIRONMENTAL IMPLICATIONS

Nil

COUNCIL OFFICER CONFLICT OF INTEREST DECLARATION

We the Author and Approving Officers declare that we do not have a Conflict of Interest in relation to this matter.

TONY SIMONS
TEAM COORDINATOR RISK,
AUDIT & SAFETY

DIANA LEEDER
GENERAL MANAGER
CORPORATE SERVICES

For enquiries, please contact Tony Simons on 8930 0573 or email:
t.simons@darwin.nt.gov.au.

OPEN SECTION

RMAC03/6

Risk Management & Audit Committee Meeting – Friday, 31 March 2017

11. INFORMATION ITEMS

11.1 Outstanding Audit Issues Register (31/03/17) Common No. 422690

*The Outstanding Audit Issues Register is **Attachment A**.*

OAI NO.	AUDIT NAME & AUDITOR	AUDIT ISSUE & REFERENCE	RESPONSIBLE OFFICER	AGREED COMPLETION DATE	IMPLEMENTATION STATUS
145	Asset Management Audit Deloitte March 2015	1 On implementation of Asset Management System, develop and implement new procedures, and update existing draft procedures, where relevant in consultation with Finance.	Manager Technical Services in consultation with Manager Finance	July 2018	Updated list and status provided as per issue item number 2. Updates and new procedures are occurring as required, specifically for issue item #6 Deferred to July 2018 per RMAC 27 May 2016
		3 Develop, finalise and implement individual asset management plans, taking into account relevant recommendations from the 2012 asset sustainability review report (refer to Section 4 for more information) a) Assign roles and responsibilities resulting from the plans and communicate these to relevant staff members b) Review asset management plans on a regular basis c) Ensure future plans indicate likely service level and risk trends resulting from long term financial plan d) Ensure that strategy plan and management plan performance measures align with AMP service levels e) Continue to develop additional AMP scenarios as required to align with the long term financial plan and show service outcomes and risk consequences of long term financial plan resourcing levels f) Update AMPs with state of the assets service levels for condition, function and capacity as per summary dashboards. g) Continue to develop additional AMP scenarios as required to align with the long term financial plan and show service outcomes and risk consequences of long term financial plan resourcing levels	Manager Technical Services	July 2017	<div>ATTACHMENT A</div> Drafts progressing Deferred to July 2017 per RMAC 27 May 2016
		4 Introduce state of the art reporting for assets in the annual report			
		6 Asset Finder is not integrated to Civica Authority at this stage. a. Further considerations are necessary for the future regarding detailed procedures and degree of integration between accounting and asset management systems h) Implementation date is notional at this stage as it is entirely dependent on all current asset data being entered into Asset Finda	Manager Technical Services in consultation with Manager Finance	July 2018	Training undertaken April 2016 to improve knowledge and understand practical aspects of implementation. Updated implementation plan being prepared. Deferred to July 2018 per RMAC 27 May 2016
146	Investments Audit KPMG, February 2016	2. Conduct a review of the Investment procedures and include in the document future review dates and last approval date.	Manager Finance	31 March 2017	
		4 The review cycle for Policy No. 024 - Investment Policy be updated to correspond with the Local Government Investment Guidelines with an annual period of review.	Manager Finance	31 March 2017	
		5 Remove specific mention of the TIO as an acceptable approved instrument issuer from the investing policy.	Manager Finance	31 March 2017	
147	Financial Statements Audit	1 That the long-outstanding balances in the trust account be investigated and amounts be refunded to individuals and/or entities where deemed appropriate.	Manager Finance	31 March 2017	
		2 That the internal policies and procedures regarding the trust account are reviewed, amended where appropriate and followed accordingly.	Manager Finance	31 March 2017	
148	Workplace Health & Safety Management	3.4.1.2 Finalise and implement the standard for the Contractor Management, including: • Contractor Induction program • Communication of WHS accountabilities and responsibilities	Coordinator Risk & Safety	September 2016	Contractor Management Standard being developed

CITY OF DARWIN RISK MANAGEMENT & AUDIT COMMITTEE REGISTER OF OUTSTANDING AUDIT ISSUES

EFFECTIVE DATE: 28 October 2016

OAI NO.	AUDIT NAME & AUDITOR	AUDIT ISSUE & REFERENCE	RESPONSIBLE OFFICER	AGREED COMPLETION DATE	IMPLEMENTATION STATUS
		3.2.6.1 Implement the recommended 'treatment plans' as identified in the Operations Risk Assessment (Revision 4) June 2015 and the 'corrective actions' of the City of Darwin WHS audit report (Marsh) to reduce the overall risk profile for the City of Darwin. In addition to the identified 'treatment and corrective action plans', consider implementing a Safety Leadership Training program and/or a Behavioural Risk Improvement (BRI) program to assist with embedding a positive safety culture within the City of Darwin.	Coordinator Risk & Safety	September 2016	Only outstanding issues are contractor management and defensive verbal training for Regulatory Services staff. Both are being addressed. BRI and safety culture are being addressed. Safety alerts have been introduced and a "safety share" programme has recently been initiated for the outdoor workforce.
		3.2.6.2 Conduct a review of the JSEA program and format in consultation with the end user group to identify how JSEA's can be best applied. Consider using generic SWMS and not adding an additional JSEA form to the risk management process, rather incorporating a 'Part B' into the SWMS form if it is determined to be required.	Coordinator Risk & Safety	December 2016	Council has held discussions with Clarence Council in relations to JSEA program as they have just completed introduction of SWMS/JSEAs. Program will now focus on developing generic safe work method statements (SWMS) with Part B documents to be completed on-site to address.
		3.4.6.7 Implement the draft Contractor Management WHS Standard to ensure that contractors engaged to undertake work for the City of Darwin are managed. This should include: • determination of hazards and risks when identifying contractor works • requesting WHS information from contractors at the tender/engagement phase • reviewing contractor WHS information and risk assessments prior to commencement of works • contractor induction, training and supervision • reviewing contractor performance • ongoing consultation with contractors, and • managing contractor poor performance. Consider adopting a software program to support the collection and management of contractor data.	Coordinator Risk & Safety	March 2017	
		3.4.6.9 Ensure that WHS component of the contractor tender process is reviewed by a suitably qualified worker. Consider what information is requested to determine contractor suitability. I.e. Injury and incident statistics, LTIFR etc.	Coordinator Risk & Safety	September 2016	All documents for public tender are reviewed by the TC Risk Audit and Safety. This will be addressed in further detail during implementation of the contractor management standard.
149	IT Security Internal Audit	1. Endpoint Protection. Council will implement systems and controls that will include: - AppLocker, which will whitelist programs and will block users from installing and running non approved applications and programs. - New Standard Operating Environment to be installed on Council's new workstations due in 2017-2018, which will include tighter controls on administrative privileges and will stop users running/installing programs/applications using the Windows admin role. - Council will investigate systems that will restrict the use of USB ports and drives, and improved monitoring of user data movements including data loss.	Manager IT	June 2018	
		2. User Security Awareness and Training. Best security controls and practices start with end user and staff education and awareness. Council will implement improved staff education and awareness programs that will address: - Sharing of user access credentials. - Storing of Council data on non-secure storage devices and USB drives. - Correct storage of sensitive information into network drives and record systems. - Council will also update staff on their IT and information	Manager IT	August 2017	

OAI NO.	AUDIT NAME & AUDITOR	AUDIT ISSUE & REFERENCE	RESPONSIBLE OFFICER	AGREED COMPLETION DATE	IMPLEMENTATION STATUS
		security handling procedures.			
		3. <u>Security Governance and Oversight.</u> - Council agrees to implement an overall Information Technology Security framework. - The Information Technology Strategic Leadership Committee will also consider incorporating changes to its Terms of Reference to including security responsibilities and metrics.	Manager IT	July 2018	
		4. <u>IT Disaster Recovery and Resilience</u> - Council agrees that continuous improvements must be made to IT systems. Works will coincide with next IT server storage upgrades due in the calendar year of 2017. - Secondary server room will need to be investigated (on-prem / off-prem). - Cross training will be improved within the IT team to reduce reliance on key IT staff like System Admins.	Manager IT	January 2018	
		5. <u>Remote Access Management</u> - Current systems and hardware do not support two factor authentication. New hardware will be investigated to support two authentication. - Council will investigate processes that will remote users security including locking down systems from IP's, and monitoring systems. - Council will also discuss with third party providers changes to access to include individual accounts for their technicians.	Manager IT	July 2017	
		6. <u>Vulnerability Management</u> - Council agrees that improvements should be made to patch management. - IT will implement better controls to ensure patching of systems are done on a more regular basis. This may include changes to IT roles and require more resources to implement.	Manager IT	September 2017	
		7. <u>Security Incident Response</u> - Council will work on implementation of an IT Security Incident Response procedure which will include incident roles, responsibilities and communication methods.	Manager IT	August 2017	

OAI NO.	AUDIT NAME & AUDITOR	AUDIT ISSUE & REFERENCE	RESPONSIBLE OFFICER	AGREED COMPLETION DATE	IMPLEMENTATION STATUS
150	Fines & Infringements Processing Systems	1. <u>IT Systems</u> - Prioritise the purchase of new hand-held devices. - Investigate and incorporate broader technological benefits for the recording of data when updating the hand-held units currently being considered.	Manager IT & Manager Reg Services	November 2016	
		- Reinforce the requirements for Officers to maintain a notebook to a legal standard.	Manager Reg Services & Reg. Supervisors	November 2016	
		2. <u>Infringement Adjustments</u> - Reinforce the requirement to have a signed movement slip prior to any withdrawal of infringement. - Investigate the opportunities for systems to include a dual authorisation process which would eliminate the movement slip process.	Manager Reg. Services & Reg. Supervisors Supervisor Administration Manager IT	November 2016 January 2017	

OPEN SECTION

RMAC03/7

Risk Management & Audit Committee Meeting – Friday, 31 March 2017

12. GENERAL BUSINESS