

Town of
Port Hedland



TOWN OF PORT HEDLAND

AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING MINUTES

TUESDAY 12 APRIL 2016 AT 5:30PM

**COUNCIL CHAMBERS, MCGREGOR
STREET, PORT HEDLAND**

**“A nationally significant, friendly city that people are
proud to call home”**

*M.J. (Mal) Osborne
Chief Executive Officer*

TERMS OF REFERENCE

AIM/PURPOSE:

The Audit, Risk and Governance Committee has been established in accordance with Part 7 of the Local Government Act 1995 to:

1. Liaise with the Auditor(s) to assist Council in carrying out functions in relation to external audit, including liaising with the Auditor and develop a process for selection and appointment of a person as the Auditor.
2. Receive Quarterly Budget Review Reports;
3. Receive Quarterly Financial Reports on all of the Town of Port Hedland's Managed Community Facilities;
4. Review and suggest improvements to Risk Management within the organisation; and
5. Assist the organization in the development of an internal audit program and make recommendations to Council regarding:
 - Financial Management
 - Risk Management
 - Internal Controls
 - Legislative Compliance
 - Internal and External Audit Planning and Reporting

MEMBERSHIP

Mayor Kelly Howlett
Councillor Camilo Blanco – Presiding Member
Councillor Louise Newbery
Councillor Richard Whitwell

Proxy
Councillor David Hooper
Councillor Julie Arif

Community Members
Ms Nina Pangahas
Mr Ron Attwood – Deputy Presiding Member

QUORUM

The quorum for the Committee be a minimum of 50% of its membership.

MEETING FREQUENCY, TIMES AND VENUE

Second Tuesday of each Month at 5:30pm in Council Chambers or as determined from the Council from time to time.

DELEGATION:

The Town of Port Hedland Council provides delegated authority to the Audit, Risk and Governance Committee to meet annually with the Town's auditor(s) as required by Section 7.12A(2) of the Local Government Act 1995.

TENURE:

Ongoing

RESPONSIBLE OFFICER:

Director Corporate Services

*(Adopted by Council at its Ordinary Meeting held 16 November 2011.
Amended by Council at its Ordinary Meeting held 23 October 2013.
Amended by Council at its Ordinary Meeting held on 11 December 2013.
Amended by Council at its Ordinary Meeting held on 27 May 2015.
Amended by Council at its Ordinary Meeting held on 28 October 2015.)*

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ITEM 1 OPENING OF MEETING

The Presiding Member declared the meeting open at 5:32 pm.

ITEM 2 ACKNOWLEDGMENT OF TRADITIONAL OWNERS

The Presiding Member acknowledged the traditional owners, the Kariyarra people.

ITEM 3 RECORDING OF ATTENDANCE AND APOLOGIES

3.1 Attendance

Elected Members:

Councillor Camilo Blanco – Presiding Member

Councillor Louise Newbery

Councillor Richard Whitwell

Community Members

Mr Ron Attwood – Deputy Presiding Member

Officers:

Chris Linnell Director Community and Development Services

Dale Stewart Acting Director Corporate Services

Peter Kocian Executive Officer

Grace Waugh Minute Taker/ Governance Officer

Tammy Wombwell Minute Taker/ Corporate Information Officer

Public 2

Media Nil

ToPH Officers 1

3.2 Apologies

Elected Members:

Mayor Kelly Howlett

Committee Members:

Ms Nina Pangahas

Officers:

Mal Osborne Chief Executive Officer

3.3 Approved Leave of Absence

Nil

ITEM 4 RESPONSE TO PREVIOUS QUESTIONS

4.1 Questions from Public at Audit, Risk and Governance Committee Meeting held on Tuesday 8 March 2016

Nil

4.2 Questions from Committee Members at Audit, Risk and Governance Committee Meeting held on Tuesday 8 March 2016

Nil

ITEM 5 PUBLIC TIME

Important note:

'This meeting is being recorded on audio tape as an additional record of the meeting and to assist with minute-taking purposes which may be released upon request to third parties. If you do not give permission for recording your participation please indicate this at the meeting. The public is also reminded that in accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders nobody shall use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the presiding member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Local Law on Standing Orders mobile telephones must be switched off and not used during the meeting.'

Presiding Member opened Public Question Time at 5:35pm.

5.1 Public Question Time

Nil.

Presiding Member closed Public Question Time at 5:35pm.

Presiding Member opened Public Statement Time at 5:35pm.

5.2 Public Statement Time

Nil.

Presiding Member closed Public Statement Time at 5:36pm.

ITEM 6 QUESTIONS FROM MEMBERS WITHOUT NOTICE

6.1 Mr Attwood

Can we have more workshops with the Audit Risk and Governance Committee organised, to discuss the Terms of Reference and Procurement?

The Acting Director Corporate Services advised there will be subsequent workshops organised, and dates would be made available to Audit, Risk and Governance Committee Members once confirmed.

6.2 Councillor Whitwell

Can we have the Airport Wealth Management policy statement from Department of Local Government made available for Committee Members?

The Executive Officer advised that a workshop will be held to discuss the Airport Wealth Management with Elected Members next week however in the interim, subject to endorsement by the CEO, the advice from the Department and confidential legal advice would be made available to Elected Members.

ITEM 7 DECLARATION BY MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPER PRESENTED BEFORE THE MEETING

Councillor Blanco – Presiding Member	Councillor Newbery
Mr Attwood	Councillor Whitwell

ITEM 8 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

8.1 Confirmation of Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 8 March 2016

201516/218 RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR WHITWELL

SECONDED: MR ATTWOOD

That the Audit, Risk and Governance Committee confirm that the Minutes of the Audit, Risk and Governance Committee Meeting held on Tuesday 8 March 2016 are a true and correct record.

CARRIED 4/0

ITEM 9 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

9.1 Councillor Blanco – Presiding Member

In regards to recent social media publicity on the way the Town's financial information is displayed to public, we cannot criticise the community for their actions. The Town's financial information should be presented in a way that is clear and concise, and made easily available on the Town's website.

ITEM 10 PETITIONS/ DEPUTATIONS/ PRESENTATIONS/ SUBMISSIONS

Nil

Disclaimer

Members of the public are cautioned against taking any action on Committee decisions, on items on today's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.

ITEM 11 REPORTS OF OFFICERS

11.1 Community and Development Services

11.1.1 Community Donations – Update for the Period to 31 March 2016

Author: Nicole Davis, Acting Manager Recreation Facilities and Services
Authorising Officer: Chris Linnell, Director Community and Development Services
File No. 02/05/0001

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/219 RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR WHITWELL SECONDED: CR NEWBERY

That with respect to the Quarterly Donations Report, the Audit, Risk and Governance Committee:

- 1. Note the report of donations provided to the community as outlined in Attachment 1.**

CARRIED 4/0

EXECUTIVE SUMMARY

Council Policy 6/003 Funding & Donations states the Town of Port Hedland will work in collaboration with the community to support the delivery of events, celebrations and community activities which reflect the unique identity, add to the social fabric of the Town of Port Hedland and the wellbeing of residents.

This report provides the funding support offered to individuals as well as community and Not-for-Profit organisations for the period 1 November 2015 to 31 March 2016.

DETAILED REPORT

The objectives of Council Policy 6/003 Funding & Donations are:

1. To support community initiatives that strengthen the capacity of local organisations and that deliver valuable outcomes to the Town's residents
2. To assist in the initiation and establishment of new, independently sustainable events, programs and activities that build capacity within the community
3. To enable the Town to implement a consistent response to support requests received from community organisations, individuals and not for profit organisations

4. To provide budget certainty to applicants
5. To provide both local residents and community organisations with guidance in respect to the Town's expectations of such requests.

The Town considers applications from individuals as well as community clubs and Not-for-Profit organisations on an ongoing basis. Attachment 1 provides an overview of the projects supported by the Town from the period 1 November 2015 to 31 March 2016.

During this period the Town has considered 25 applications all of which have received support. In addition to this, the Hedland Kart Club and Lord Mayor's Disaster Relief Funds for Esperance and Waroona have also been supported.

The initiatives supported were extremely diverse and offered support to a variety of individuals and organisations within the Port Hedland community. The support provided by the program is greatly appreciated by the recipients.

Consultation

- Kelly Howlett, Mayor
- Mal Osborne, Chief Executive Officer
- Chris Linnell, Director Community and Development Services
- Paul Howrie, Manager Community Development
- Nicole Davis, Acting Manager Recreation Facilities and Services
- Graeme Hall, Former Manager Recreation Facilities and Services

Recommendations by officers for applications for funding are required to be endorsed by both the Chief Executive Officer and the Mayor. Applicants are advised of the outcome of their support request within an average of ten business days.

FINANCIAL AND RISK IMPLICATIONS

Donations are funded from GL Account 813285 and GL Account 813286. The budget and actuals for the current financial year are outlined in the tables below:

GL Account 813285 – Donations to the Community		
2015/16 Financial Year Budget	\$70,000.00	
	Expenditure	Balance
01/07/2015 – 31/08/2015	\$6050.00	\$63,950
01/09/2015 – 31/10/2015	\$10,942.73	\$53,007.27
01/11/2015 – 31/03/2016	\$20,881.82	\$32,125.45

GL Account 813286 – Community In Kind Contributions & Fee Waivers		
2015/16 Financial Year Budget	\$25,625.00	
	Expenditure	Balance
01/07/2015 – 31/08/2015	\$2431.83	\$23,193.17
01/09/2015 – 31/10/2015	\$6253.73	\$16,939.44
01/11/2015 – 31/03/2016	\$7,771.84	\$9,167.60

STATUTORY AND POLICY IMPLICATIONS

Council Policy 6/003 Funding & Donations requires the Chief Executive Officer (CEO) to report quarterly to the Audit and Finance Committee (now known as the Audit, Risk and Governance Committee) all grants and donations made since the previous report and to refer any requests that fall outside of the delegation to the CEO.

This Policy is currently under review and the change of name of the Committee in the Policy will be picked up in due course.

Support provided to the community through the Council Policy 6/003 Funding & Donations contribute to the following goals as outlined in the following Strategic Community Plan:

- 1.1 A unified community across our townships
- 1.2 A vibrant community rich in diverse cultures
- 4.2 Engage our community and stakeholders

ATTACHMENTS

1. Summary of Community Funding Applications up to 31 March 2016

31 March 2016

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ATTACHMENT 1 TO ITEM 11.1.1



SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR THE PERIOD OF 1 NOVEMBER 2015 TO 31 MARCH 2016 TO BE NOTED AT THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING ON 12 APRIL 2016



	GL813285	GL 813286	Total
2015 – 2016 Financial Year Budget for donations:	\$70,000	\$25,625	\$95,625.00
Donations supported 01/07/2015 – 31/08/2015:	\$6,050.00	\$2431.83	\$ 8,481.83
Donations supported 01/09/2015 – 31/10/2015:	\$10,942.73	\$6,253.73	\$17,196.46
Donations supported 01/11/2016 – 31/03/2016	\$20,881.82	\$7,771.84	\$28,653.66
Total expenditure as at 31/03/2016:	\$37,874.55	\$16,457.40	\$54,331.95
Amount remaining in Budget as at 31/03/2016:	\$32,125.45	\$9,167.60	\$41,293.05

Organisation	Event/Project	Assistance requested	Value of support	GL Account	Officer's comment
Shaun Coles for 'The Great Hedland Mud Run'	The Great Hedland Mud Run	In kind water and water cartage. Waiving of tipping fees for second hand tyres used for the obstacle course.	\$2037.08	813286	The assistance requested allowed for Shaun Coles to organise a community event with the aim of raising funds for Bright Blue (the Police Commissioners Charity for Sick Kids) and the family of Mark Tweeddale, who passed away suddenly in 2015. The event was well attended and enjoyed by local community members. It should be noted that this is for the remaining support allocated to this event, being water cart staff and plant costs. Standpipe usage and tyre tipping fees have been allocated previously
Hedland Community Living Organisation	Carer's Week Treat and acknowledgement of acquiring a respite holiday home.	\$2,000.00 cash to cover catering costs and a gift to members.	\$1,000.00	813285	The assistance provided allowed the Hedland Community Living Organisation to host a Carer's Week event and to celebrate the acquisition of a respite holiday home including memorabilia.
SangRok Judo Club	WA State Judo Titles	\$3,500.00 cash to assist with travel and accommodation costs.	\$1818.18	813285	The assistance requested allowed SangRok Judo Club to take a team of competitors down to Perth for the State Titles. Inclusion in this event allows participants to compete at a state level furthering their experience and helping them to develop as athletes.
C3 Church	Hedland Community Carols 2015	\$1,000.00 cash support for decorations volunteer meals	\$1,245.45	813285 813286	The Hedland Community Carols are held on an annual basis. The support provided helped to bring diverse cultures and demographics together to celebrate as one. It also allowed local volunteers to develop event management skills and give local musicians a chance to perform.



SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR THE PERIOD OF 1 NOVEMBER 2015 TO 31 MARCH 2016 TO BE NOTED AT THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING ON 12 APRIL 2016



Organisation	Event/Project	Assistance requested	Value of support	GL Account	Officer's comment
		and costumes as well as \$245.45 in kind usage of event bins.			
Lynx Netball Club	Lynx Netball Club	\$2,000.00 cash for establishment as an all-inclusion club and for junior development.	\$1,000.00	813285	After being separate teams within the Port Hedland Netball Association, the assistance provided is allowing the Lynx Netball Club to be an all-inclusive club from juniors through to A Grade. This is through the provision of funding for the purchase of equipment and first aid kits for their teams.
Gemima Rahman	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for airfares and accommodation for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Gemima to gain experience at a higher level of competition for softball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
St John Baptist Catholic Church	Headstone fundraising for the late Judith Enright	\$66 waiver of cemetery fees and provision of \$200.00 cash support to help with the purchase and installation of a headstone for the late Judith Enright.	\$266.00	813285 813286	The support provided assisted the St John Baptist Catholic Church in their fundraising efforts to assist the late Judith Enright's family to pay for a headstone, plaque, concrete bed, installation and contractor fees for Judith's burial. Judith Enright was a Town of Port Hedland Councillor from 1993 – 1995 and community members also contributed cash support to pay their final respects for Judith.



SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR THE PERIOD OF 1 NOVEMBER 2015 TO 31 MARCH 2016 TO BE NOTED AT THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING ON 12 APRIL 2016



Organisation	Event/Project	Assistance requested	Value of support	GL Account	Officer's comment
Alex Britcliffe	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for airfares and accommodation for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Alex to gain experience at a higher level of competition for baseball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
Zoe Britcliffe	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for airfares and accommodation for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Zoe to gain experience at a higher level of competition for softball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
Jack Bowins	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for airfares and accommodation for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Jack to gain experience at a higher level of competition for baseball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
Corey Bowins	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for airfares and accommodation for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Corey to gain experience at a higher level of competition for baseball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.



SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR THE PERIOD OF 1 NOVEMBER 2015 TO 31 MARCH 2016 TO BE NOTED AT THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING ON 12 APRIL 2016



Organisation	Event/Project	Assistance requested	Value of support	GL Account	Officer's comment
Declan Rahman	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for airfares and accommodation for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Declan to gain experience at a higher level of competition for baseball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
Lara Jean Association Inc	Movie Mayhem	\$2,000.00 cash assistance for a free cinema day for local special needs children and families.	\$454.55	813285	Waiver of fees for movie tickets will allow local special needs children and families to attend the Matt Dann Theatre & Cinema for a day out. The Lara Jean Association Inc has been provided with vouchers for tickets and only redeemed tickets will be costed, eliminating the possibility of unspent funds.
Hedland Little League Baseball	Game nights and training clinics 2015/16 season	Cash support to be used to purchase lighting credit.	\$909.09	813285	Cash support used for lighting credit allows the association to hold training clinics and game nights throughout the season without increasing fees for participants.
Rose Nowers Early Learning Centre	Engaging children in the community	Cash support for bus hire for community excursions as well as minor preparation costs.	\$2,000.00	813285	The assistance provided will allow up to 42 local children from Rose Nowers to attend excursions including fishing, bush exploration, turtle monitoring, library, art gallery and water park. These excursions will see the children access a variety of learning experiences and be actively engaged in the community.



SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR THE PERIOD OF 1 NOVEMBER 2015 TO 31 MARCH 2016 TO BE NOTED AT THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING ON 12 APRIL 2016



Organisation	Event/Project	Assistance requested	Value of support	GL Account	Officer's comment
Kade Denney	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for uniform costs for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Kade to gain experience at a higher level of competition for baseball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
Josh Denney	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for uniform costs for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Josh to gain experience at a higher level of competition for baseball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
Mackayla Denney	South East Asian Youth Baseball & Softball Tournament SEABYST	Cash support to be used for uniform costs for the tournament in Bangkok.	\$500.00	813285	The assistance provided has allowed Mackayla to gain experience at a higher level of competition for softball, having successfully completed try outs to be selected for the Western Australian team and then competing against international teams in Bangkok.
Science & Engineering Challenge – University of Newcastle	Science & Engineering Challenge Port Hedland 2016	\$2,000.00 cash support to be used for event costs and \$779.09 waiver of venue hire fees for the JD Hardie Centre.	\$2,779.09	813285 813286	The Science & Engineering Challenge involves students in years 5, 6, 9 & 10 to compete in a day of science and engineering related activities. The requested assistance will provide a unique opportunity for Port Hedland's students whilst assisting them with their education and longer term development.
StarStruck Drama Academy	Agatha Christies 'The Hollow'	Waiver of venue hire and technical staff	\$1,257.27		The waiver of venue hire fees allowed the community theatre group to bring live theatre to the Pilbara, for both involved participants and audience



SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR THE PERIOD OF 1 NOVEMBER 2015 TO 31 MARCH 2016 TO BE NOTED AT THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING ON 12 APRIL 2016



Organisation	Event/Project	Assistance requested	Value of support	GL Account	Officer's comment
		fees for the Matt Dann Theatre & Cinema.			members. Community driven activities such as this help to make Port Hedland a more diverse Town to live in.
East Pilbara Detectives Office	Tweeddale family gym/aquatic centre memberships	Waiver of gym/aquatic fees for the Tweeddale family until January 2016.	\$444.03	813286	After Mark Tweeddale passed away suddenly in 2015 whilst participating in a netball game at Wanangkura Stadium, assistance was confirmed to provide gym/aquatic centre memberships to his young family for the remainder of their time in Port Hedland. This allowed them to continue accessing programs and services at the Town's leisure facilities.
Janice and Margaret Ramirez	Laetitia Ramirez Memorial Service	Waiver of venue hire fees for the Civic Centre Gardens to hold a memorial service.	\$111.82	813286	The assistance requested allowed Laetitia's family to hold a memorial service in her honour to celebrate her life after passing away from Leukaemia in 2014.
Treloar Childcare Centre	Children's Christmas Party	Waiver of venue hire fees for the JD Hardie Centre.	\$272.73	813286	The assistance provided allowed Treloar Childcare Centre to host a Christmas party for over 80 Port Hedland families to attend. This gave the centre, its children and their families the chance to come together to celebrate the year that was and farewell the children moving on to attend school.
Hedland Arts Council Inc (HARTZ)	Andy Quilty Workshop	Waiver of venue hire fees for Colin Matheson Pavilion	\$613.64	813286	The assistance provided allowed HARTZ to hold a portrait workshop with artist Andy Quilty for community members and local artists. Traditionally HARTZ hold their workshops at their own venue, however during summer the studio's air conditioning is not always sufficient to host day long workshops.
Yoga with Grace	International Women's Day fundraising event	Waiver of venue hire fees for Colin Matheson Pavilion	\$126.55	813286	The support provided assisted Grace to host a yoga event for the local community as an International Women's Day Fundraiser. All proceeds from the day went to the Hedland Women's Refuge, a local Not for Profit organisation.



SUMMARY OF COMMUNITY FUNDING AND DONATIONS APPLICATIONS FOR THE PERIOD OF 1 NOVEMBER 2015 TO 31 MARCH 2016 TO BE NOTED AT THE AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING ON 12 APRIL 2016



Organisation	Event/Project	Assistance requested	Value of support	GL Account	Officer's comment
JaBaT Dance Inc			\$1818.18	813286	As per Council Resolution 201516/133 Support provided partially covered the venue hire costs for JaBaT's end of year concert for 2015 including photo day, rehearsal days and the concert itself.
Hedland Kart Club			\$2,000.00	813285	As per Council Resolution 201516/147 This support provided was to assist the club to pay their Local Government rates.
City of Perth	Lord Mayor's Distress Relief Fund - Esperance Appeal		\$2,000.00	813285	As per Council Resolution 201516/110 This support was a donation to the City of Perth Lord Mayor's Distress Relief Fund for victims of the Esperance fires which occurred in November 2015.
City of Perth	Lord Mayor's Distress Relief Fund - Waroona Appeal		\$2,000.00	813285	As per Council Resolution 201516/148 This support was a donation to the City of Perth Lord Mayor's Distress Relief Fund for victims of the Waroona and Districts fires which occurred in January 2016.
Total			\$28,653.66		

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11.2 Office of the CEO

11.2.1 Risk Assessment and Risk Matrix

Author: Peter Kocian, Executive Officer
Authorising Officer: Mal Osborne, Chief Executive Officer
File No.

DISCLOSURE OF INTEREST BY OFFICER

Nil

201516/220 RECOMMENDATION/ AUDIT, RISK AND GOVERNANCE COMMITTEE DECISION

MOVED: CR WHITWELL

SECONDED: MR ATTWOOD

That with respect to managing risks, the Audit, Risk and Governance Committee recommend to Council:

- 1. The adoption of Risk Assessment and Risk Matrix document as presented in Attachment 1 and it be incorporated into the existing Council Policy, Number 1/022 titled 'Risk Management Policy';**
- 2. That a new stand-alone heading titled "Risk Implications" be included in the Agenda Report template for all Council and Committee Meetings, and that the Chief Executive Officer ensure that the Risk Assessment and Risk Matrix be completed for all Reports;**
- 3. That any item with a risk ranking of greater than '10' categorized as either 'High' or 'Extreme' Risk, and that is apparent it will be ongoing, be listed on the Town of Port Hedland Risk Register;**
- 4. That the Charter of the Audit, Risk and Governance Committee be amended such that the Town of Port Hedland Risk Register become a standing agenda item for the Committee, as risk items require attention and should be subject to regular monitoring and review.**

CARRIED 4/0

EXECUTIVE SUMMARY

This report recommends that the Audit, Risk and Governance Committee endorse the attached Risk Assessment and Risk Matrix document. It is recommended that this document inform the Town of Port Hedland Risk Register, with any risk with a risk ranking of 'high' or 'extreme' (i.e. a risk assessment of greater than 10) be included on the Risk Register as these risks have been identified as requiring attention and require monthly monitoring.

DETAILED REPORT

At the Ordinary Meeting of 16 December 2015, Council considered a Risk Management Policy and resolved the following:

201516/109 RECOMMENDATION/ COUNCIL DECISION

MOVED: CR ARIF

SECONDED: CR GILLINGHAM

That Council:

- 1. Adopt the attached Risk Management Policy (Policy Number 1/022);**
- 2. Note that a Risk Management Strategy and Framework is to be developed to guide and support the implementation of risk management.**

CARRIED 8/0

Risk Framework

A Standard designated as AS/NZS ISO 31000:2009 has been prepared on Risk Management. This Standard defines risk assessment as the overall process of risk identification, risk analysis and risk evaluation. The Standard encapsulates the following paragraphs.

All organisations should identify sources of risk, areas of impact, events and their causes and their potential consequences. The aim of this step is to generate a comprehensive list of risks, known as a Risk Register, based on those events that might create, enhance, prevent, degrade, accelerate or delay the achievement of objectives.

Identification should include risks whether or not their source is under the control of the organisation, even though the risk source or cause may not be evident. Risk identification should include examination of the knock-on effects of particular consequences, including cascade and cumulative effects. As well as identifying what might happen, it is necessary to consider possible causes and scenarios that show what consequences can occur. All significant causes and consequences should be considered.

Organisations should apply risk identification tools and techniques that are suited to its objectives and capabilities, and to the risks faced. People with appropriate knowledge should also be involved in identifying risks. The management of risk should therefore be undertaken with full consideration of the need to justify the resources used in carrying out risk management.

Risk criteria also needs to be defined to evaluate the significance of risk. Factors to be considered include the following:

- The nature and types of causes and consequences that can occur and how they will be measured;
- How likelihood will be defined;
- The timeframe (s) of the likelihood and/or consequence (s);
- How the level of risk is to be determined;
- The views of stakeholders;

- The level at which risk becomes acceptable or tolerable.

Risk evaluation always involves the assessment of the likelihood (chance of something happening) and consequence (outcome of an event affecting objectives) of an event.

Proposed Risk Assessment Tool

Local Government Insurance Services have developed a risk assessment tool which is widely used by local governments in Western Australia (see Attachment 1). The tool is broken down as follows to demonstrate alignment with the aforementioned Australian Standard:

Measures of Likelihood

LEVEL	RATING	DESCRIPTION	FREQUENCY	PROBABILITY
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year	Greater than 90% chance of occurrence
4	Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurrence
3	Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurrence
2	Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurrence
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	Less than 10% chance of occurrence

Measures of likelihood form part of the risk matrix to determine the 'risk rank' and the 'level of risk'. A level of 1 - 5 is applied based on the likelihood of an event occurring, ranging from rare to almost certain. The likelihood can be determined objectively or subjectively, qualitatively or quantitatively, and described using general terms or mathematically such as probability or a frequency over a given time period.

Measures of Consequence

LEVEL	1	2	3	4	5
RATING	Insignificant	Minor	Moderate	Major	Catastrophic
HEALTH	Negligible injuries	First aid injuries	Medical type injuries or Lost time injury < 5 days	Lost time injury > 5 days	Fatality, permanent disability
FINANCIAL IMPACT	Less than \$3,000	\$3,000 - \$30,000	\$30,001 - \$300,000	\$300,001 - \$3M	More than \$3M
SERVICE INTERRUPTION	No material service interruption	Temporary interruption to an activity – backlog cleared with existing resources	Interruption to Service Unit(s) deliverables – backlog cleared by additional resources	Prolonged interruption of critical core service deliverables – additional resources; performance affected	Indeterminate prolonged interruption of critical core service deliverables – non-performance
COMPLIANCE	Occasional noticeable temporary non-compliances	Regular noticeable temporary non- compliances	Non-compliance with significant regulatory requirements imposed	Non-compliance results in termination of services or imposed penalties	Non-compliance results in criminal charges or significant damages or penalties
REPUTATION	Unsubstantiated, localised low impact on key stakeholder trust, low profile or no media item	Substantiated, localised impact on key stakeholder trust or low media item	Substantiated, public embarrassment, moderate impact on key stakeholder trust or moderate media profile	Substantiated, public embarrassment, widespread high impact on key stakeholder trust, high media profile, third party actions	Substantiated, public embarrassment, widespread loss of key stakeholder trust, high widespread multiple media profile, third party actions
ENVIRONMENT	Contained, reversible impact managed by on site response	Contained, reversible impact managed by internal response	Contained, reversible impact managed by external agencies	Uncontained, reversible impact managed by a coordinated response from external agencies	Uncontained, irreversible impact

AUDIT, RISK & GOVERNANCE COMMITTEE MEETING MINUTES 12 APRIL 2016

As defined by the Australian Standard consequence is the outcome of an event affecting corporate objectives. The above identifies outcomes in six main categories being health, financial impact, service interruption, compliance, reputation and environment. A level of 1 - 5 is applied based on the severity of the outcome, ranging from insignificant to catastrophic. Combined with measures of likelihood, measures of consequence form the evaluation of risks in the Risk Matrix (see below).

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

Risk Acceptance Criteria

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

The risk matrix will determine a risk ranking and level of risk based on the measurement of the likelihood and consequence of a particular event. It is recommended that any event with a risk ranking of 'high' or 'extreme' be recorded in the Town's Risk Register and reported to the Audit, Risk and Governance Committee on a monthly basis. These events require regular monitoring and risk treatment actions which may involve the following:

- Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
- Taking or increasing risk in order to pursue an opportunity;
- Removing the risk source;
- Changing the likelihood;
- Changing the consequences;
- Sharing the risk with another party or parties (including contracts and risk financing); and
- Retaining the risk by informed decision.

Risk treatments that deal with negative consequences are sometimes referred to as risk mitigation, risk elimination, risk prevention and risk reduction. Risk treatments will be particularly important where existing controls are deemed to be inadequate.

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

FINANCIAL AND RISK IMPLICATIONS

There are no financial implications relative to this item. This item does recommend the endorsement of a Risk Assessment Tool which will form part of the Town's Risk Management Framework.

STATUTORY AND POLICY IMPLICATIONS

Regulation 17 of the Local Government (Audit) Regulations 1996 states the following.

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.
- (3) The CEO is to report to the audit committee the results of that review.

Council have also recently adopted Policy 1/022 Risk Management Policy which details the following statement of objective: "The Town of Port Hedland is committed to organisation wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes."

The development of a Risk Assessment Tool will assist the Town in meeting the above objective.

ATTACHMENTS

1. Risk Assessment Tool – Developed by Local Government Insurance Services

24 March 2016

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**SAMPLE
RISK ASSESSMENT & ACCEPTANCE CRITERIA
(As at December 2015)**



EXISTING CONTROLS RATING

LEVEL	RATING	FORESEEABLE	DESCRIPTION
E	Excellent	Doing more than what is reasonable under the circumstances	Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation
A	Adequate	Doing what is reasonable under the circumstances	Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation
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MEASURES OF CONSEQUENCE

LEVEL	1	2	3	4	5
RATING	Insignificant	Minor	Moderate	Major	Catastrophic
HEALTH	Negligible injuries	First aid injuries	Medical type injuries or Lost time injury < 5 days	Lost time injury > 5 days	Fatality, permanent disability
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ENVIRONMENT	Contained, reversible impact managed by on site response	Contained, reversible impact managed by internal response	Contained, reversible impact managed by external agencies	Uncontained, reversible impact managed by a coordinated response from external agencies	Uncontained, irreversible impact



**SAMPLE
RISK ASSESSMENT & ACCEPTANCE CRITERIA
(As at December 2015)**

MEASURES OF LIKELIHOOD

LEVEL	RATING	DESCRIPTION	FREQUENCY	PROBABILITY
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4	Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurrence
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2	Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurrence
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	Less than 10% chance of occurrence

RISK MATRIX

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

RISK ACCEPTANCE CRITERIA

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

Accepted By _____ Date: ___/___/_____

**ITEM 12 LATE ITEMS AS PERMITTED BY PRESIDING MEMBER/
COMMITTEE**

Nil

ITEM 13 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

ITEM 14 CONFIDENTIAL ITEMS

Nil

**ITEM 15 APPLICATIONS FOR LEAVE OF ABSENCE FOR THE NEXT
AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING**

Nil

**ITEM 16 ATTENDANCE BY TELEPHONE/ INSTANTANEOUS
COMMUNICATIONS**

Nil

ITEM 17 CLOSURE

17.1 Date of Next Meeting

The next Audit, Risk and Governance Committee Meeting of Council will be held on Tuesday 10 May 2016.

17.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 6:55pm.