



# AGENDA

Dear Committee Members

I respectfully advise that an **AUDIT, RISK AND COMPLIANCE COMMITTEE MEETING** will be held in the Council Chambers, McGregor St, Port Hedland, on Wednesday, 1 December 2021, commencing at 5:30pm.

MEETING AGENDA ATTACHED

Yours faithfully

A handwritten signature in black ink, appearing to read "Carl Askew".

Carl Askew  
Chief Executive Officer

26 November 2021



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**DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS**

*Local Government Act 1995 – Section 5.65, 5.70 and 5.71*

*Local Government (Model Code of Conduct) Regulations 2021*

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Model Code of Conduct) Regulations 2021</i>			
Name			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Important Note:** Should you declare a **Financial or Proximity Interest**, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

*“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”*

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## Item 1 Opening of Meeting

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The Chief Executive Officer is to declare the meeting open at [Enter Time](#).

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## Item 2 Acknowledgement of Traditional Owners and Dignitaries

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The Chief Executive Officer acknowledges the Kariyarra people as the Traditional Custodians of this land, on whose land we are meeting, and recognises their strength and resilience, and pays his respects to Elders past, present and emerging.

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## Item 3 Recording of Attendance

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### 3.1 Attendance

#### Scheduled Present:

#### Committee Members:

Councillor Tim Turner

Councillor Ash Christensen

~~Councillor Flo Bennett~~ **Removed from list of attendance**

#### Scheduled for Attendance:

Carl Askew (Chief Executive Officer)

Karren MacClure (Director Corporate Services)

Jim Olynyk, JP (Manager of Governance (Interim))

Angelique Cook (Senior Risk and Audit Advisor)

Stephanie Sikaloski (Risk and Insurance Advisor/Minute Taker)

### 3.2 Attendance by Telephone / Instantaneous Communications

### 3.3 Apologies

Councillor Flo Bennett

### 3.4 Approved Leave of Absence

### 3.5 Disclosure of Interests

### 3.6 Election of Presiding Member and Deputy Presiding Member

#### 3.6.1 Election of Presiding Member

Section 5.12 and Schedule 2.3 of the *Local Government Act 1995* (Act) requires that a committee elect a presiding member.

#### *5.12. Presiding members and deputies, election of*

*(1) The members of a committee are to elect a presiding member from amongst themselves in accordance with Schedule 2.3, Division 1 as if the references in that Schedule —*

*(a) to “office” were references to “office of presiding member”; and*

*(b) to “council” were references to “committee”; and*

*(c) to “councillors” were references to “committee members”.*

....

The appointment will be until October 2023, with the membership and presiding member being considered following the 2021 Ordinary Election of the Town of Port Hedland Council. Should there be more than one nomination, it will be necessary for a secret ballot to be held to elect a committee member to the position in accordance with the *Local Government Act 1995*.

Under Schedule 2.3, Part 4 of the *Local Government Act 1995*, the procedure for electing the Presiding Member is as follows:-

#### *4. How mayor or president is elected*

- (1) The council is to elect a councillors to fill the office.*
- (2) The election is to be conducted by the CEO in accordance with the procedure prescribed.*
- (3) Nominations for the office are to be given to the CEO in writing before the meeting or during the meeting before the close of nominations.*

*(3a) Nominations close at the meeting at a time announced by the CEO, which is to be a sufficient time after the announcement by the CEO that nominations are about to close to allow for any nominations made to be dealt with.*

- (4) If a councillor is nominated by another councillor the CEO is not to accept the nomination unless the nominee has advised the CEO, orally or in writing, that he or she is willing to be nominated for the office.*
- (5) The councillors are to vote on the matter by secret ballot as if they were electors voting at an election.*
- (6) Subject to clause 5(1), the votes cast under subclause (5) are to be counted, and the successful candidate determined, in accordance with Schedule 4.1 (which deals with determining the result of an election) as if those votes were votes cast at an election.*
- (7) As soon as is practicable after the result of the election is known, the CEO is to declare and give notice of the result in accordance with regulations, if any.*

#### *5. Votes may be cast a second time*

- (1) If when the votes cast under clause 4(5) are counted there is an equality of votes between 2 or more candidates who are the only candidates in, or remaining in, the count, the count is to be discontinued and the meeting is to be adjourned for not more than 7 days.*
- (2) Any nomination for the office may be withdrawn, and further nominations may be made, before or when the meeting resumes.*
- (3) When the meeting resumes the councillors are to vote again on the matter by secret ballot as if they were electors voting at an election.*
- (4) The votes cast under subclause (3) are to be counted, and the successful candidate determined, in accordance with Schedule 4.1 as if those votes were votes cast at an election.*

### 3.6.2 Election of Deputy Presiding Member

Committees must also elect a committee member (other than the presiding member) to fill the office of deputy presiding member, in accordance with Section 5.12 (2) of the *Local Government Act 1995*.

#### *5.12. Presiding members and deputies, election of*

....

*(2) The members of a committee may elect a deputy presiding member from amongst themselves but any such election is to be in accordance with Schedule 2.3, Division 2 as if the references in that Schedule —*

- (a) to “office” were references to “office of deputy presiding member”; and*
- (b) to “council” were references to “committee”; and*
- (c) to “councillors” were references to “committee members”; and*
- (d) to “mayor or president” were references to “presiding member”.*

The procedure for electing the deputy presiding member is similar to that of filling the office of presiding member, as listed under Schedule 2.3, Division 2, Part 8 of the *Local Government Act 1995*.

#### *8. How deputy mayor or deputy president is elected*

- (1) The council is to elect a Councillor (other than the Mayor) to fill the office.*
- (2) The election is to be conducted in accordance with the procedure prescribed, by the Mayor, or if he or she is not present, by the Chief Executive Officer.*
- (3) Nominations for the office are to be given to the person conducting the election in writing, before the meeting or during the meeting before the close of nominations.*
  - (3a) Nominations close at the meeting at a time announced by the person conducting the election, which is to be a sufficient time after the announcement by that person that nominations are about to close to allow for any nominations made to be dealt with.*
- (4) If a Councillor is nominated by another Councillor the person conducting the election is not to accept the nomination unless the nominee has advised the person conducting the election, orally or in writing, that he or she is willing to be nominated for the office.*
- (5) The council members are to vote on the matter by secret ballot as if they were electors voting at an election.*
- (6) Subject to clause 9(1) the votes cast under subclause (5) are to be counted, and the successful candidate determined, in accordance with Schedule 4.1 as if those votes were votes cast at an election.*
- (7) As soon as is practicable after the result of the election is known, the Chief Executive Officer is to declare and give notice of the result in accordance with regulations, if any*

#### *9. Votes may be cast a second time*

- (1) If, when the votes cast under clause 8(5) are counted, there is an equality of votes between 2 or more candidates who are the only candidates in, or remaining in, the count, the count is*



*to be discontinued and, not more than 7 days later, a special meeting of the council is to be held.*

*(2) Any nomination for the office may be withdrawn, and further nominations may be made, before or when the special meeting is held.*

*(3) When the special meeting is held the council members are to vote again on the matter by secret ballot as if they were voting at an election.*

*(4) The votes cast under subclause (3) are to be counted, and the successful candidate determined, under Schedule 4.1 as if those votes were votes cast at an election.*

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#### Item 4 Applications for Leave of Absence

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Nil.

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#### Item 5 Response to Previous Questions

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Nil.

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#### Item 6 Public Time

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*Important note:*

*In accordance with section 6.7(3) of the Town of Port Hedland Local Law on Standing Orders, members of the public are required to complete a question form and place the completed form in the tray provided.*

*If the Presiding Member determines that questions and statements are out of order due to the use of an offensive or objectionable expression or are defamatory, they will not be recorded or responded to.*

6.1 Public Question Time

6.2 Public Statement Time

6.3 Petitions/Deputations/Presentations/Submissions

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#### Item 7 Questions from Members without Notice

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#### Item 8 Announcements by Presiding Member without Discussion

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## Item 9 Declarations of All Members to Have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

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The Audit, Risk and Compliance Committee Members declare that they have given due consideration to all matters contained in the agenda.

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## Item 10 Confirmation of Minutes from Previous Meeting

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### OFFICER'S RECOMMENDATION

That the Audit, Risk and Compliance Committee confirm that the Minutes of the Audit, Risk and Compliance Committee Meeting held on Tuesday 10 August 2021 are a true and correct record with the following amendments highlighted in red:

Item Number	Decision Number
Item 10: Confirmation of Minutes from Previous Meeting	ARC202021 <del>2021</del> 22/014 OFFICER'S RECOMMENDATION / COMMITTEE DECISION
Item 11.1.1: Interim Audit Report 2020/21	ARC202021 <del>2021</del> 22/015 OFFICER'S RECOMMENDATION / COMMITTEE DECISION
Item 11.1.2: Strategic 3 Year Internal Audit Plan	ARC202021 <del>2021</del> 22/016 OFFICER'S RECOMMENDATION / COMMITTEE DECISION
Item 11.1.3: 2021 Internal Audit Review of Regulation 17 of the <i>Local Government (Audit) Regulations 1996</i>	ARC202021 <del>2021</del> 22/017 OFFICER'S RECOMMENDATION / COMMITTEE DECISION

*SIMPLE MAJORITY VOTE REQUIRED*

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**Item 11 Reports of Officers**

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**11.1 Corporate Services****11.1.1 2022 AUDIT, RISK AND COMPLIANCE COMMITTEE WORK PLAN**

**Author:** Senior Risk and Audit Advisor  
**Authorising Officer:** Director Corporate Services  
**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**OFFICER'S RECOMMENDATION**

That the Audit, Risk and Compliance Committee adopt the 2022 Audit, Risk and Compliance Committee Work Plan, as per Attachment 1.

*SIMPLE MAJORITY VOTE REQUIRED*

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**PURPOSE**

The purpose of this report is for the Audit, Risk and Compliance (ARC) Committee to adopt the ARC Committee work plan for the forthcoming year.

**DETAIL**

The ARC Committee is required to develop an annual work plan in accordance with section 6.6 of the ARC Committee's adopted Terms of Reference, that stipulates:

*'The Audit, Risk and Compliance Committee will develop a forward meeting schedule that includes the dates, location, and proposed work plan for each meeting for the forthcoming year, that cover all the responsibilities outlined in this terms of reference.'*

The work plan provides a framework that guides the implementation of the ARC Committee's responsibilities as outlined in the *Local Government Act 1995*, the *Local Government (Audit) Regulations 1996* and in the ARC Committee's Terms of Reference for the forthcoming year.

The work plan aligns the ARC Committee's responsibilities with any key legislative compliance dates and the ARC Committee's adopted meeting schedule. The work plan also allows ARC Committee Members to be able to anticipate upcoming items for inclusion in each quarterly ARC Committee meeting.

**LEVEL OF SIGNIFICANCE**

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of low significance. It does not meet any requirements of a 'significant' decision.

**CONSULTATION***Internal*

- Director Corporate Services
- Manager Financial Services

*External Agencies*

- Nil

*Community*

- Nil

**LEGISLATION AND POLICY CONSIDERATIONS**

Section 6.6 of the Terms of Reference (TOR) of the ARC Committee state that a work plan for the forthcoming year is to be developed.

Although the adoption of an ARC Committee work plan is not legislatively required, the TOR is a requirement of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*.

**FINANCIAL AND RESOURCES IMPLICATIONS**

There are no financial implications associated with this item.

**STRATEGIC AND SUSTAINABILITY IMPLICATIONS**

The following section of the Town's Strategic Community Plan 2018-2028 is applicable in the consideration of this item:

- 4.b.3 Transparent and regular governance reporting and communication to the community is undertaken

There are no significant identifiable environmental, social or economic impacts relating to this item.

**RISK MANAGEMENT CONSIDERATIONS**

There is a compliance risk associated with this item, because if the ARC Committee do not adopt a work plan for the forthcoming year, the ARC Committee would be in breach of its Terms of Reference. The risk rating is considered to be low (2), which is determined by a likelihood of rare (1) and a consequence of minor (2).

This risk will be eliminated by the adoption of the officer's recommendation.

There is a service interruption risk associated with this item, because if the ARC Committee do not adopt a work plan, the ARC Committee members will not have insight on what the ARC Committee will be determining in the coming months and will not have time to research and make enquiries in relation to any upcoming agenda items. The risk rating is considered to be low (4), which is determined by a likelihood of unlikely (2) and a consequence of minor (2).

This risk will be eliminated by the adoption of the officer's recommendation.

**OPTIONS**

*Option 1 – Adopt officer's recommendation*

*Option 2 – Do not adopt officer's recommendation*

**CONCLUSION**

It is recommended that the ARC Committee adopt the 2021 work plan to ensure the ARC Committee meets key compliance dates and responsibilities for the forthcoming year. The adoption of the work plan will also allow ARC Committee members to have insight on which items are to be determined in the coming months and offers structure and guidance to the ARC Committee.

**ATTACHMENTS**

1. 2022 Audit, Risk and Compliance Committee Work Plan (under separate cover)

**11.1.2 2021 LGIS WORKSAFE PLAN AUDIT**

**Author:** Senior WHS Advisor  
**Authorising Officer:** Chief Executive Officer  
**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

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**OFFICER'S RECOMMENDATION**

That the Audit, Risk and Compliance Committee receive the LGIS 2021 WorkSafe Plan Audit Report, as per Attachment 1.

*SIMPLE MAJORITY VOTE REQUIRED*

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**PURPOSE**

The purpose of this report is for the Audit, Risk and Compliance (ARC) Committee to note the outcomes of the 2021 LGIS WorkSafe Audit Review.

The agreed management actions will be recorded in the Audit Log and progress updates on improvements made by the Town of Port Hedland (Town), will be provided to the ARC Committee on regular basis.

**DETAIL***Background*

LGIS were engaged to undertake the '3 Steps to Safety Program' which was established to recognise and meet the needs of Local Government with the aim of driving safety performance and minimising claim exposure.

LGIS conducted the initial assessment on the 2<sup>nd</sup> to 6<sup>th</sup> July 2018. The sites visited as part of the activity were the Administration Building Civic Centre, Depot, Landfill Facility, South Hedland Library and JD Hardie Youth Centre.

Following that assessment, the Town developed an Action Plan to address the outcomes assessed as insufficient, ad hoc, and unsatisfactory. Once developed the Action Plan was provided to the Assessor to ensure that the actions proposed were being addressed as per the criteria and to drive continuous improvement.

LGIS undertook a second assessment on 31<sup>st</sup> May to 2<sup>nd</sup> June 2021. The sites visited as part of that activity was the JD Hardie Youth Zone, South Hedland Landfill, South Hedland Aquatic Centre, and South Hedland Library.

All evidence for both assessments were examined and verified on site through examination of documents, workplace inspections and interviews with representatives from the Town.

*Scope*

Both assessments were undertaken against the WorkSafe Plan using the below LGIS scoring methodology.

Finding	Score	Definition
Satisfactory	3	The Town satisfies the requirements of the criterion & has not gone significantly beyond it.
Insufficient	2	Documentation exists however there are gaps in the OSH Management System documentation, their implementation &/or the evidence that shows the criteria hasn't quite been met yet.
Ad Hoc	1	The Town has not met the criteria due to evidence being sporadic & ad hoc.
Unsatisfactory	0	The Town cannot provide any evidence to support compliance with the criteria.

*Overall Comment & Findings*

The overall score outcomes by each element for 2021 in comparison to 2018 can be seen in the below table.

Category	Member Score	Available Score	2021 Section Achievement	2018 Section Achievement
Management Commitment	22	24	92%	63%
Planning	24	27	89%	33%
Consulting & Reporting	20	21	95%	43%
Hazard Management	19	21	90%	32%
Training & Supervision	17	21	81%	43%
<b>Overall Score</b>	<b>102</b>	<b>114</b>	<b>89%</b>	<b>43%</b>

A total of 36 parts were audited under the four Elements of which 11 were given an “Insufficient” criteria, the other 25 units were all measured as “Satisfactory”. There were no “Ad Hoc or Unsatisfactory” findings.

The insufficient findings are shown as follows.

Element 1.1 There is a documented Safety & Health Policy that is reviewed on a regular basis.

- The Town has a Workplace Health & Safety Policy within the Council Policies Manual as well as a WHS Statement that is reviewed every 3 years or more often as required.
- The WHS Statement outlines the Towns commitment to a high standard of Safety and Health in accordance with safety & health legislative requirements.
- The WHS Statement has been endorsed with the CEO's signature and states the date of issue and re-endorsement.

Recommendations

- Ensure the WHS Policy and Statement is reviewed at least annually in accordance with the WorkSafe Plan criteria.

Element 1.4 There is a process that makes all parties aware of and accountable for their safety and health responsibilities.

- The WHS Obligations and Responsibilities document identifies the applicable safety and health responsibilities for each level in the organisation. Worker signoff is obtained to demonstrate their understanding of safety and health responsibility in accordance with their role however this document is not currently reflected within position descriptions.
- The induction process provides an overview of worker and contractor safety and health roles and responsibilities.
- Senior management and supervisors are provided with and attend safety and health roles and responsibilities training.
- Senior management regularly attend the safety and health committee and Executive Leadership Team (ELT) meetings where safety and health performance is discussed.
- The Town has a Reward and Recognition program which includes safety and health criteria achievements.

Recommendations

- Include or reference WHS Obligations and Responsibilities within position descriptions to ensure safety and health responsibilities are easily referred to when reviewing worker performance.

Element 2.0 The Towns approach to safety and health management is planned and reviewed.

- A WHS Plan has been implemented and is regularly reviewed on a quarterly basis to ensure it is suitable.
- The Town is in the early stages of collecting safety and health performance information and has not started comparing performance data.
- The Town does not currently conduct internal audits or safety assessments on the safety and health management system and only rely on LGIS to complete an assessment every three years.



### Recommendations

- Develop a process for internal safety audits/assessments to occur at least annually to ensure that the safety and health management system is effective, and improvements are identified.
- Develop a process for the annual comparison of safety and health performance data to ascertain where improvements can be made.

Element 2.2 Specific safety and health objectives and measurable targets have been established for relevant functions.

- The Town currently collects data on lead and lag indicators such as LTI, hazard and incident reporting, workers compensation and workplace inspections.
- Although senior management have key performance indicators (KPI) regarding safety and health for their departments, written performance indicators are currently in draft for the organisation and each business.

### Recommendations

- Finalise the organisations and individual business unit's performance indicators and ensure targets can be measured. Consideration should be given to not focus on injury statistics (lag indicators) and promote lead indicators such as timely hazard, incident and investigation reporting, and effectiveness of controls.

Element 2.5 Policies and procedures for engaging and managing contractors are in place.

- The Town is in the final stages of the contractor management review process which includes clear direction on engaging and managing contractors performing work tasks on behalf of the organisation.
- Although much of the material is still in draft some parts of the process is currently utilized, such as, risk assessment of the scope of works to be completed, collection of contractor insurances and license requirements, contractor suitability, provision of Contractor OSH Compliance Guideline, Contractor Questionnaire, contractor inductions, observations and site inspections, regular meetings and minutes maintained.

### Recommendations

- Finalise the contractor management review and ensure all workers are trained in contractor engagement requirements.

Element 3.6 There are arrangements in place for the acquisition, provision and exchange of safety and health information with external parties, including customers, suppliers, contractors and relevant public authorities.

- The procurement process identifies the requirement for safety and health information to be obtained and risk assessments to be completed before purchase.
- A safety and health complaints procedure has been developed for external parties which is maintained within Synergy.
- Safety and health information is distributed through various electronic social media platforms, newspapers as well as hard copy mail to communicate with members of the public.

- Snap, Solve, Send has been developed for members of the public to instantly report any safety and health issues within the community.
- Although safety and health information is sought from contractors, this process is not fully implemented as the Town is currently finalizing their contractor management process.

#### Recommendations

- Finalise the contractor management procedure and processes to ensure contractors are managed in a safe and consistent manner across the Town, which includes obtaining and communicating safety and health information.

#### Element 4.3 Work activities are analysed, and hazards identified.

- Procedures for tasks that have been considered high risk have been developed.
- The hazard and incident management process analyses hazard and incident trends where this data is presented to senior management and the OSH Committee.
- SWMS, JSA and Internal Operating Procedures (IOP's) have been implemented and also reference appropriate resources such as, legislation, codes of practice, standards and guidelines appropriate to the work task. The documents are regularly reviewed.
- Even though workers were able to confirm that work activities are analysed, and hazards identified, job observations are not yet recorded.

#### Recommendations

- Develop a process for job observations to be recorded to further strengthen the hazard identification and analysis process to ensure it is effective.

#### Element 5.1 An induction program is in place for all workers and contractors providing relevant OSH instruction and information.

- An organisational safety and health induction program is in place for all workers, contractors, volunteers and visitors that provides relevant instruction and information on safety and health for the Town and applicable workplace/area.
- Additional inductions are in place for individual business units such as plant and equipment, role specific and workplace.
- Safety and health training objectives are identified and included within training materials.
- Although a safety and health induction process is in place, job observations are not currently recorded to ensure information has been transferred to the workplace.
- Discussion has with workers confirmed that they undertook safety and health induction training.

#### Recommendations

- Develop a process for to assess whether information obtained in training has been transferred effectively into the workplace i.e., job observations.

Element 5.3 The Town has identified the training needs of all workers.

Position descriptions identify the training requirements for each role within the Town.

- The Town has a training matrix for reporting and recording worker attendance to training however a training needs analysis has not yet been developed to clearly identify any gaps in a workers training.
- The annual performance review process primarily identifies the need for a worker to undertake training as well as other times during the year when identified.
- Training records are maintained within personnel files and are available to workers and their immediate supervisors or managers upon request.
- There is an allocation for safety and health training within the budget which is reviewed at least annually.
- Discussions with workers confirmed that they have taken part in safety and health training applicable to their role and opportunities to identify and be provided with future training is available.

Recommendations

- Develop a training needs analysis to ensure the training needs for each role is suitably identified, including any legislative requirements, to ensure workers can perform their work tasks in a safe and healthy manner.

Element 5.6 The training program is evaluated and reviewed.

- The annual performance review process includes the requirement to review the workers individual training program.
- Although worker feedback and evaluations are obtained following training, a review of the training program as a whole has not yet been conducted.
- Discussions had with workers confirmed that they contribute to their individual training program evaluation review.

Recommendations

- Develop a process where the training program for the Town is evaluated and reviewed to ensure it is suitable. The evaluation can take into account worker evaluation feedback, reduction in injury or incident rates applicable to the training, job observations or verifications of competency.

Element 5.7 Supervision is undertaken by people with appropriate safety and health knowledge, skills and experience.

- Safety and health roles and responsibilities training has been undertaken by senior managers and supervisors.
- Discussions had with workers confirmed that supervision is appropriate to their work task and level of skill.
- Although safety and health performance criteria is included within the performance review process, this has not been tailored to reflect the roles level of responsibility.

Recommendations

- Review the safety and health performance criteria to reflect the responsibility of the role.

## LEVEL OF SIGNIFICANCE

This matter is considered to be of medium significance, due to the possibility of consequences arising from non-compliance, impact the reputation of the Town of Port Hedland and general interest by the community in the compliance capability of the business operations of the Town of Port Hedland.

## CONSULTATION

### *Internal*

- Chief Executive Officer
- Director – Corporate Services
- Director – Regulatory Services
- Manager HR
- Manager Financial Services
- Manager Governance
- Manager Infrastructure Operations
- Manager IT and Program Delivery
- Manager Infrastructure Projects & Assets
- Senior Legal Counsel
- Senior Financial Accountant
- Senior Organisational Development Advisor
- Senior Risk and Audit Advisor
- Senior Governance Advisor

### *External Agencies*

- LGIS (Marsh Advisory Pacific):
  - Senior OSH Consultant - Risk & Governance

### *Community*

- Nil

## LEGISLATION AND POLICY CONSIDERATIONS

- *Occupational Health & Safety Act 1984*
- *1\_016 ToPH Workplace Health and Safety Policy V03 Adopted May 2020*
- *WHS FRM 016 Risk Matrix V0 Nov 2019*

## FINANCIAL AND RESOURCES IMPLICATIONS

Budget included sufficient funding for the LGIS WorkSafe Plan Audit costs.

## STRATEGIC AND SUSTAINABILITY IMPLICATIONS

There are no significant identifiable environmental, social or economic impacts relating to this item.

## RISK MANAGEMENT CONSIDERATIONS

6 low and 5 moderate rated findings in relation to the “Insufficient” findings in the 2021 WorkSafe Plan Audit.

These are compliance risks associated with this item because the Town must ensure that it has adequate procedures and processes in place to preserve and protect its systems, procedures, assets and its reputation by ensuring the compliance of regulatory requirements. The overall risk rating is considered to be Moderate (9), which is determined by a likelihood of possible (6) and a consequence of Moderate (3). This risk will be reduced by the adoption of the recommendation and implementing the agreed management actions.

## OPTIONS

*Option 1 – Adopt officer’s recommendation*

*Option 2 – Amend officer’s recommendation*

*Option 3 – Do not adopt officer’s recommendation*

## CONCLUSION

This report presents the ARC Committee with an overview of the 2021 WorkSafe Plan Audit findings and how the Town’s Work Health and Safety and HR Teams will be addressing all relevant findings for improvement.

On behalf of the Town, LGIS Senior OSH Consultant, Risk & Governance submitted the following information to WorkSafe in an application for a WorkSafe Plan Certificate of Achievement:

- (i) WorkSafe Plan Report covering examples of evidence against the indicators for each of the elements and overall ratings for each of the elements.
- (ii) An explanation of the type of assessment conducted.
- (iii) Statistical information that confirms that the organisation meets the requirements for reduction/maintenance of low rates of injury and disease.
- (iv) Organisational details.
- (v) Confirmation that no conflict of interest exists between the Assessor and the organisation i.e. that the Assessor is independent and impartial.

It is recommended that the ARC Committee recommend that Council receive and note the 2021 LGIS WorkSafe Audit Review.

## ATTACHMENTS

1. LGIS 3 Steps to Safety (under separate cover)

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**11.2 Community Services**

Nil.

**11.3 Regulatory Services**

Nil.

**11.4 Infrastructure Services**

Nil.

**11.5 Executive Services**

Nil.

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**Item 12 Motions of which Previous Notice has been given**

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Nil.

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**Item 13 New Business of an Urgent Nature (Late items)**

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Nil

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**Item 14 Matters for Which Meeting May Be Closed (Confidential Matters)**

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**RECOMMENDATION**

That Council close the meeting to members of the public as prescribed in section 5.23(2) of the *Local Government Act 1995*, to consider item 14.1.

***SIMPLE MAJORITY VOTE REQUIRED***

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<b>14.1 LATE: FINANCIAL STATEMENTS FY2021</b>
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**Author:** Manager Financial Services  
**Authorising Officer:** Director Corporate Services

**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

This report has been deemed confidential pursuant to Section 5.23(2) of the Local Government Act 1995, as the information to be received, discussed or considered in relation to this agenda item is in relation to clause (e)(iii) matter that if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person, where the information is held by, or is about, a person other than the local government.

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## Item 15 Closure

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### 15.1 Date of Next Meeting

The next Audit, Risk and Compliance Committee Meeting will be held on Tuesday 8 March 2022 commencing at 5:30pm.

### 15.2 Closure

There being no further business, the Presiding Member declared the meeting closed at [enter time](#)

## TERMS OF REFERENCE

### 1. Purpose of the Terms of Reference

The purpose of the terms of reference is to facilitate the operation of the Audit, Risk and Compliance Committee.

### 2. Introduction

The Audit, Risk and Compliance Committee has been established in accordance with Part 7 of the *Local Government Act 1995*.

The Audit, Risk and Compliance Committee is an advisory committee formally appointed by the Council and is responsible to the Council. The Audit, Risk and Compliance Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any financial responsibility. The Audit, Risk and Compliance Committee does not have any management functions and is therefore independent of management.

The Audit, Risk and Compliance Committee will primarily focus on relevant matters relating to Audit (internal and external) Risk and Compliance.

The Audit, Risk and Compliance Committee objective is to assist the Town of Port Hedland Council in liaising with the auditor and overseeing the external audit function and promoting the transparency and accountability of the Town's financial management systems and reporting. The role of the Audit, Risk and Compliance Committee is to report to the Council and provide appropriate advice and recommendations on matters relevant to its terms of reference in order to facilitate decision making by the Council in relation to the discharge of its responsibilities.

### 3. Objectives

The objectives of the Audit, Risk and Compliance Committee are to oversee:

- 3.1 The integrity of internal and external financial reporting, including accounting policies.
- 3.2 The scope of work, objectivity, performance and independence of the external auditor.
- 3.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Town's financial and physical resources.
- 3.4 The systems or procedures that are designed to ensure that the Town and its subsidiaries comply with relevant statutory and regulatory requirements.
- 3.5 The process for recognising risks arising from the Town's operations and strategies, and consider the adequacy of measures taken to manage those risks.
- 3.6 The process and systems which protect the Council against fraud and irregularities.
- 3.7 Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance.



- 3.8 Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits.

The Audit, Risk and Compliance Committee must also add to the credibility of Council by promoting ethical standards through its work.

#### 4. Authority

The Audit, Risk and Compliance Committee has the authority to:

- 4.1 Review and suggest improvements to the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken.
- 4.2 Monitor and advise the Chief Executive Officer in reviews conducted under regulation 17(1) of the *Local Government (Audit) Regulations 1996* and regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.
- 4.3 Formally meet with the Town's appointed external auditor as necessary.
- 4.4 Seek resolution on any disagreements between management and the external auditors on financial reporting.
- 4.5 Advise Council on any or all of the above as deemed necessary.

#### 5. Composition of Committee Members

- 5.1 The Audit, Risk and Compliance Committee will comprise of three Elected Members.
- 5.2 The Council will appoint Audit, Risk and Compliance Committee members.
- 5.3 The Presiding Member and Deputy Presiding Member will be appointed by the Audit, Risk and Compliance Committee, Members after an Election.
- 5.4 The members, taken collectively, will have a broad range of skills and experience in accounting or related financial management, with an understanding of accounting and auditing standards in a public sector environment.
- 5.5 Members may seek advice from an external independent advisor. The independent advisor will have a Certified Practicing Account (CPA), Chartered Accountancy (CA) qualification or relevant discipline or experience in a similar position. The independent advisor must be able to demonstrate expertise and knowledge in at least one of the disciplines of financial risk management, corporate governance, risk management or auditing. The independent advisor will also have demonstrated understanding and/or experience in:
  - Accounting Standards (AASB)
  - Tax Legislation
  - *Local Government Act 1995*
  - Local Government experience and/or Band 1 Council
- 5.6 A quorum will be a minimum of 50% of the membership.

- 5.7 Audit, Risk and Compliance Committee members are required by the Local Government Act and Code of Conduct in observing the requirements of declaring any proximity, financial or impartiality interests that relate to any matter to be considered at each meeting.
- 5.8 New members will receive relevant information and briefings on their appointment to assist them to meet their committee responsibilities.
- 5.9 The Chief Executive Officer and employees are not members of the Committee.

## 6. Meetings

- 6.1 Meetings may be called by the Presiding Member of the Audit, Risk and Compliance Committee, or at the request of the Mayor or Chief Executive Officer.
- 6.2 The Audit, Risk and Compliance Committee meetings are generally open to the public unless the Presiding Member or Chief Executive Officer deem it necessary to proceed behind closed doors pursuant to Section 5.23 of the Local Government Act 1995.
- 6.3 All Elected Members are invited to attend each Audit, Risk and Compliance Committee meeting.
- 6.4 All Audit, Risk and Compliance Committee members are expected to attend each meeting in person.
- 6.5 The Chief Executive Officer will facilitate the meetings of the Audit, Risk and Compliance Committee and invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.
- 6.6 The Audit, Risk and Compliance Committee will develop a forward meeting schedule that includes the dates, location, and proposed work plan for each meeting for the forthcoming year, that cover all the responsibilities outlined in this terms of reference.
- 6.7 Meeting agendas will be prepared and provided at least one week in advance to members, along with appropriate briefing materials.
- 6.8 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.
- 6.9 Pursuant to regulation 13 of the Local Government (Administration) Regulations 1996, unconfirmed minutes will be made available for inspection by members of the public, within 5 (five) business days after the meeting.

## 7. Responsibilities

The Audit, Risk and Compliance Committee will carry out the following responsibilities:

- 7.1 Risk management
  - 7.1.1 Review and suggest improvements to whether management has in place a current and comprehensive enterprise risk management framework and

- associated procedures for effective identification and management of the Town's business and financial risks, including fraud.
- 7.1.2 Determine whether a sound and effective approach has been followed in managing the Town's major risks including those associated with individual projects, program implementation, and activities.
  - 7.1.3 Assess the impact of the Town's enterprise risk management framework on its control environment and insurance arrangements.
  - 7.1.4 Review and suggest improvements to the process of developing and implementing the Town's fraud control arrangements and satisfy itself the Town has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.
- 7.2 Internal Control and Internal Audit
- 7.2.1 Ensure adequate systems of internal control are in place to mitigate key business risks and promote the effectiveness and efficiency of operations.
  - 7.2.2 Approve, review and suggest improvements to the Internal Audit Plan and ensure the Internal Audit function is operating effectively, independently and in accordance with the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.
  - 7.2.3 Receive and review all audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.
  - 7.2.4 Monitor management's implementation of internal audit recommendations, processes and practices to ensure that the independence of the audit function is maintained.
- 7.3 Financial Report
- 7.3.1 Review and suggest improvements to significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas, and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
  - 7.3.2 Review with management and the external auditors the results of the audit, including any difficulties encountered, and suggest improvements if required.
  - 7.3.3 Review and suggest improvements to the process for the consolidation of financial information of the Town related entities into the financial reports of the Town.
  - 7.3.4 Review with management and the external auditors all matters required to be communicated to the Audit, Risk and Compliance Committee under the Australian Auditing Standards, and suggest improvements if required.

- 7.3.5 Review and suggest improvements to the draft Annual Financial Statements and recommend the adoption of the Annual Financial Statements to Council.

#### 7.4 Compliance

- 7.4.1 Review and suggest improvements to the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- 7.4.2 Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to these findings.
- 7.4.3 Obtain regular updates from management about compliance matters.
- 7.4.4 Review and suggest improvements to the annual Compliance Audit Return and report to the Council the results of the review.

#### 7.5 External Audit

- 7.5.1 Review and suggest improvements to the external auditor's proposed audit scope and approach for financial performance audits, including any reliance on internal auditor activity.
- 7.5.2 Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Town implements relevant recommendations.
- 7.5.3 Provide an opportunity for the Audit, Risk and Compliance Committee to meet with the external auditors to discuss any matters that the Audit, Risk and Compliance Committee or the external auditors believe should be discussed privately.
- 7.5.4 Annually review and suggest improvements to the performance of external audit including the level of satisfaction with external audit function.
- 7.5.5 Monitor management's implementation of external audit recommendations.

#### 7.6 Reporting Responsibilities

- 7.6.1 Report regularly to the Council Audit, Risk and Compliance Committee activities, issues, and related recommendations through circulation of minutes.
- 7.6.2 Monitor that open communication between the internal auditor, the external auditors, and the Town's management occurs.

### 8 Other Responsibilities

- 8.1 Perform other activities related to this terms of reference as requested by the Council.

- 8.2 Governance perform a review after an Election, suggest improvements to and assess the adequacy of the Audit, Risk and Compliance Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

*(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.*

*Amended by Council at its Ordinary Meeting held on 22 June 2016.*

*Amended by Council at its Ordinary Meeting held on 24 May 2017.*

*Re-Adopted by Council at its Ordinary Meeting held on 1 November 2017.*

*Re-Adopted by Council at its Ordinary Meeting held on 19 December 2019.*

*Amended by Council at its Ordinary Meeting held on 23 September 2020.)*