



The Council of the City of Cockburn
Audit Risk and Compliance Committee
Agenda Paper

For Thursday, 19 May 2022

The Council of the City of Cockburn
Audit Risk and Compliance Committee Meeting
Thursday, 19 May 2022 at 7.30pm

Agenda

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**The Council of the City of Cockburn
Audit Risk and Compliance Committee Meeting
Thursday, 19 May 2022 at 7.30pm**

Agenda

1. Declaration of Meeting

2. Appointment of Presiding Member

3. Disclaimer (To be read aloud by Presiding Member)

Members of the public, who attend Council Meetings, should not act immediately on anything they hear at the Meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

4. Acknowledgement of receipt of Written Declarations of Financial Interests and Conflict of Interest (by Presiding Member)

5. Apologies & Leave of Absence

6. Public Question Time

7. Confirmation of Minutes

7.1 Minutes of the Audit Risk and Compliance Meeting - 24/3/2022

Recommendation

That Committee confirms the Minutes of the Audit Risk and Compliance Meeting held on Thursday, 24 March 2022 as a true and accurate record.

8. Deputations

9. Business Left Over from Previous Meeting (if adjourned)

Nil

10. Declaration by Members who have Not Given Due Consideration to Matters Contained in the Business Paper Presented before the Meeting

11. Built and Natural Environment

Nil

12. Finance

12.1 Local Road and Community Infrastructure Program (LRCI) - City of Cockburn 30 June 2021

Author Stuart Downing

Attachments

1. Reissued Opinion of the Office of Auditor General 30 June 2021 LRCI Grant Funding Acquittal [↓](#)
2. Annual Declaration from the City of Cockburn for LRCI Funding [↓](#)
3. LRCI Phase 1 - Chief Executive Officer Statement from City of Cockburn [↓](#)
4. Letter to Mayor from Office of the Auditor General - Reissued Opinion for LRCIP Acquittal [↓](#)
5. Letter to Chief Executive Officer from Office of the Auditor General - Reissued Opinion LRCIP Funding Acquittal [↓](#)

Recommendation of the Committee

That Council:

(1) NOTES the report.

Background

To ensure that all audit reports, including annual financial audit and the minor audits required by grant funding bodies, come before the Audit, Risk and Compliance Committee (ARC).

Submission

N/A

Report

The Commonwealth Department (Infrastructure, Transport, Regional Development and Communications) took over three months to complete their assessment of the City's Audit Report and Financial Statement for LRCI funding.

When the Department did respond, they asked the City to address several issues, including a missing payment of grant funds from the report.

A payment of \$267,000 had been received but not internally allocated to a project by the City (sitting in the balance sheet as a contract liability at 30 June 2021).

The Department insisted on updating the statements and having the Audit Report reissued.

As such the City, at the request of the Department, had the Office of Auditor General (OAG) reissue the Audit Statement (refer Attachment 1).

The OAG then reissued the Audit Certificate, as requested by the Department, with accompanying letters to the Mayor and Chief Executive Officer as required by the *Local Government Act 1995*.

Strategic Plans/Policy Implications

Listening & Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

This report is to ensure all Audit Reports, including compliance with grant funder requirements, are presented to the ARC.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 City of Cockburn

To the Chief Executive Officer of the City of Cockburn

Financial Statements for the Local Roads and Community Infrastructure Program

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) prepared for the Australian Government Department of Infrastructure, Transport, Regional Development and Communications Local Roads and Community Infrastructure Program (the Program), which comprises the Chief Executive Officer's Financial Statement, and the financial elements contained within the Annual Report Template for Phase 1 and the Quarterly Report Declarations for Phase 2, for the year ended 30 June 2021.

The financial statements have been prepared by the City of Cockburn (the City) in accordance with the requirements of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications COVID-19 Local Roads and Community Infrastructure Program Guidelines (the Guidelines) for Phases 1 and 2 of the Program to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

In my opinion, in all material respects:

- the financial statements are based on, and in agreement with, proper accounts and records
- the amount reported as expended during the year was used solely for expenditure on approved Local Roads and Community Infrastructure Projects
- the amount certified by the Chief Executive Officer in the Chief Executive Officer's Financial Statement as its own source expenditure on the Program during the year is based on, and in agreement with, proper accounts and records.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Page 1 of 2

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

Emphasis of matter – Basis of accounting and restriction on distribution and use

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the financial statements. The financial statements have been prepared for the purpose of fulfilling the City's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development and Communications under the Guidelines. As a result, the financial statements may not be suitable for another purpose. My report is intended solely for the City and the Australian Government Department of Infrastructure, Transport, Regional Development and Communications and should not be distributed to or used by parties other than the City or the Australian Government Department of Infrastructure, Transport, Regional Development and Communications.

Responsibility of the Chief Executive Officer for the Financial statements

The Chief Executive Officer is responsible for the preparation of the financial statements in accordance with the requirements of the Guidelines, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Financial statements

The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Other information

Those charged with governance are responsible for the other information. The other information is the information in the Program's annual report for the year ended 30 June 2021, but not the financial statements and my auditor's report.

My opinion does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.



Steven Hoar
Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 March 2021



Australian Government

Department of Infrastructure, Transport,
Regional Development and Communications

LOCAL ROADS AND COMMUNITY INFRASTRUCTURE PROGRAM ANNUAL REPORT

Annual Report Declaration

June 2021

I declare that:

- I have read, understood and agree to abide by the Program Guidelines on the Department's website at www.investment.infrastructure.gov.au/lrci as in force at the time of submission;
- The information I have submitted in this form is, to the best of my knowledge, true, accurate and complete. I also understand that giving false or misleading information is a serious offence under the Criminal Code 1995 (Cth);
- The financial statement is a true statement of the receipts and expenditure of the Local Roads and Community Infrastructure Program payments received;
- I understand that the Local Roads and Community Infrastructure Program is an Australian Government program and that the Department will use the information provided in accordance with:
 - Australian Government Public Data Policy Statement;
 - Commonwealth Grants Rules and Guidelines;
 - Applicable Australian laws; and
 - May make information publically available within the course of the LRCI Program (for example in media releases or promotional materials).

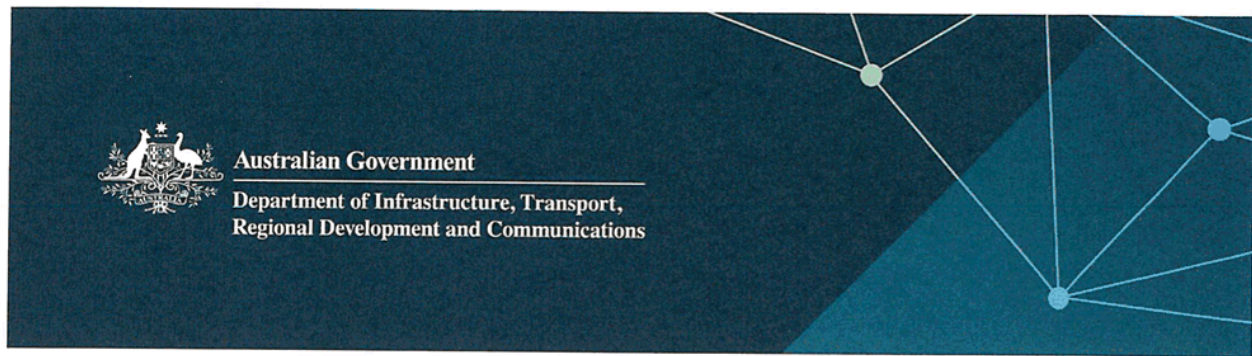
Full name: Stuart Downing

Position: Chief Financial Officer

Council: City of Cockburn

Email address: sdowning@cockburn.wa.gov.au

Signature:



LOCAL ROADS AND COMMUNITY INFRASTRUCTURE PROGRAM ANNUAL REPORT –PHASE 1

Chief Executive Officer's Financial Statement

June 2021

The following Financial Statement is a true statement of the receipts and expenditure of the Local Roads and Community Infrastructure Program Phase 1 funding received by City of Cockburn in the 2020-2021 Financial Year.

| LRCI Nominal Funding Allocation | LRCI Funding Received | LRCI Funding Expended |
|---------------------------------|-----------------------|-----------------------|
| \$1,077,107 | \$805,667 | \$569,044.66 |

The own source expenditure for City of Cockburn in 2020-21 was: \$ 3,129,556.52

Name of Chief Executive Officer/Chief Financial Officer: Stuart Downing

Date: 11 March 2022

Signature of Chief Executive Officer/Chief Financial Officer:

A handwritten signature in black ink, appearing to be "Stuart Downing", written over a horizontal line.





Our Ref: 7895-002

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Logan K Howlett
Mayor
City of Cockburn
9 Coleville Crescent
SPEARWOOD WA 6163

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Dear Mr Howlett

**CITY OF COCKBURN - FINANCIAL STATEMENTS FOR THE LOCAL ROADS AND
COMMUNITY INFRASTRUCTURE PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021**

A copy of the revised Financial Statements and redated Auditor's Report for the year ended 30 June 2021 is attached.

This Financial Statements incorporate the following changes made by the City from what was submitted to the Department previously on 29 October 2021:

- Chief Executive Officer's Financial Statement for Phase 1 is revised and the sign-off has been redated to present corrected LRCI funding received
- Annual Report Template for Phase 1 is updated for additional information regarding construction completion dates and coordinates for several projects.

A copy has also been sent to the Chief Executive Officer and the Commonwealth Department of Infrastructure, Transport, Regional Development and Communications.

Yours sincerely

Steven Hoar
Director
Financial Audit
14 March 2022

Attach



Our Ref 7895-002

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Tony Brun
Chief Executive Officer
City of Cockburn
9 Coleville Crescent
SPEARWOOD WA 6163

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Dear Mr Brun

**CITY OF COCKBURN - FINANCIAL STATEMENTS FOR THE LOCAL ROADS AND
COMMUNITY INFRASTRUCTURE PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021**

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This Financial Statements incorporate the following changes made by the City from what was submitted to the Department previously on 29 October 2021:

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- Annual Report Template for Phase 1 is updated for additional information regarding construction completion dates and coordinates for several projects.

A copy has also been sent to the Mayor and the Commonwealth Department of Infrastructure, Transport, Regional Development and Communications.

Yours sincerely

Steven Hoar
Director
Financial Audit
14 March 2022

Attach

13. Operations

13.1 Henderson Waste Recovery Park Annual Report to the Department of Water and Environmental Regulation.

Author Anton Lees

Attachments 1. Henderson Waste Recovery Park Annual Report [↓](#)

Recommendation of the Committee

That Council:

- (1) NOTES the Henderson Waste Recovery Park Annual Report to the Department of Water and Environmental Regulation.

Background

The Henderson Waste Recovery Park (HWRP) operates under a licence (L9159/2018/1) issued by the Department of Water and Environmental Regulation (DWER).

Section 36 of the licence states: The licence holder must submit to the CEO (DWER) an Annual Environmental Report within 28 days after the end of the annual period.

The annual period is defined as the 12-month period commencing from 2 March until 1 March of the year immediately following.

The report is to include:

- Condition 5.2.1 - Summary of any failure or malfunction of any pollution control equipment and any environmental incidents that have occurred during the annual period, and any action taken
- Condition 5.2.1 - Surveyed Topographic Contour Map depicting the area of the planned footprint, including cross sections for cut slopes, filled areas and unexcavated areas
- Condition 3.6.1 -Waste input and output data (including rejected loads)
- Condition 3.7.1 - Process monitoring
- Condition 3.8.1 - Monitoring of Ambient Groundwater Quality
- Condition 5.1.3 - Compliance Annual Audit Report
- Condition 5.1.4 - Compliant Summary
- Condition IR5 - Submit a Geotechnical Report.

The report and attachments were signed by the Chief Executive Officer and electronically submitted on 31 March 2022 to DWER.

Submission

NA

Report

The 2021/22 Annual Report, attached, has been prepared in accordance with the proforma issued by the DWER.

Responses to each of the City's licence conditions have been detailed along with all supporting documentation being issued with the report.

Key highlights of the report include:

1. Compliance with Licence
2. Approval to bury quarantine waste current
3. 140,176 tonnes of waste received (50% increase on 2020/21)
4. 13,231 diverted from landfill
5. Two complaints received
6. Three leachate spills
7. Fire occurred on the green waste stockpile
8. Household Hazardous Waste removal:
 - a. 94.22 tonnes of chemicals and paint
 - b. 24.64 tonnes of gas bottles.

Strategic Plans/Policy ImplicationsEnvironmental Responsibility

A leader in environmental management that enhances and sustainably manages our local natural areas and resources.

Budget/Financial Implications

The report was prepared by officers within the Waste Service Unit with costs associated with external reports covered under operational budgets.

Legal Implications

NA

Community Consultation

NA

Risk Management Implications

As the report has been issued to the Department of Water and Environmental Regulations, there is a low risk the City's licence will be revoked should Council not adopt the recommendation.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

NA

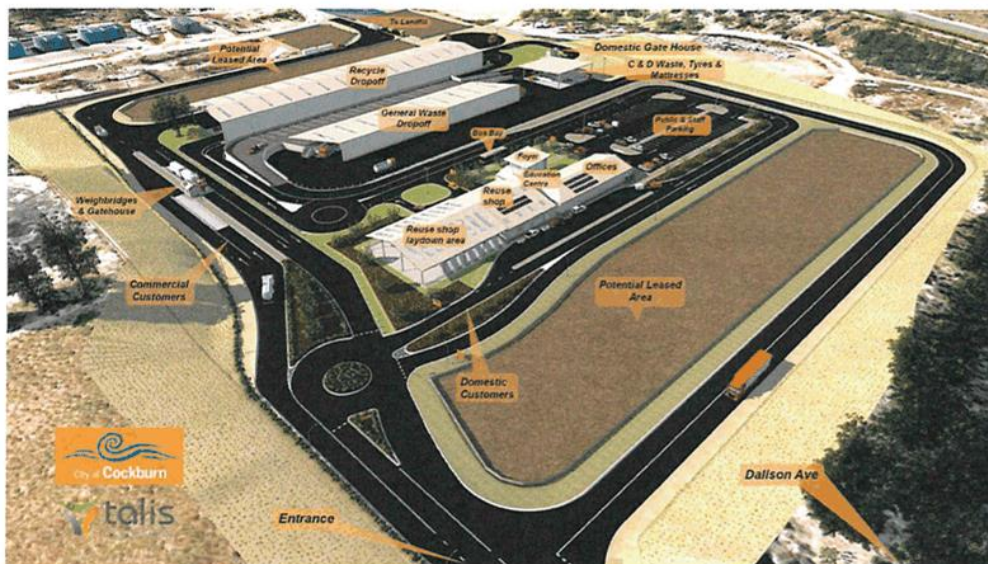


21/22 Annual Report

Henderson Waste Recovery Park

Licence No. L9159/2018/1

Author: Lyall Davieson
Waste Manager



March 2022

*Cover Picture: Proposed Cockburn Resource Recovery Park Design –
Henderson Waste Recovery Park*

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Government of Western Australia
Department of Environment Regulation

EXECUTIVE SUMMARY

In the reporting period beginning 2 March 2021 to 1 March 2022 the Henderson Waste Recovery Park (HWRP) received 140,176 tonnes. This is a 50% increase from the previous year. 13,231 tonnes of products and materials was diverted from landfill. This equates to 9.4% of the total tonnes received. Recycled metals are still attracting reasonable spot market prices.

The weighbridge was recalibrated again this year on 19 March 2022 to ensure compliance with State regulatory authorities.

Two complaints were received during the reporting period. One related to dust and the other related to odour, dust and insects.

A fire occurred in the shredded green waste stockpile on 20 March 2021.

Cleanaway removed Household Hazardous Waste from the Hazardous Waste Store as follows;

- 61 Loads (94.22 Tonnes) of chemicals and paints and
- 9 Loads (24.64 Tonnes) of gas bottles in the reporting period.

The Site's Commonwealth Department Agriculture Water and Environment approval to bury quarantine waste is current.

The City continues to ensure that the HWRP operates beyond best practice principles and exceeds the requirements of the DWER Licence.

INTRODUCTION

The Henderson Waste Recovery Park (HWRP) accepts MSW, C&I, C&D, Inert waste annually.

The City of Cockburn has operated the HWRP in Rockingham Road, Wattleup since 1990, when the first lined landfill cell was constructed in WA. Cells One, Two and Three were completed in the 90's, Cell Four was commissioned in 2000, and Cell Five in Feb 2004. Cell Six was commissioned in October 2007 and Cell Seven in December 2012. The City capped Cell Six in 2020 and Cell 7 is the active landfill cell.

The HWRP provides an essential service to the Kwinana Industrial strip and many other commercial and domestic users.

The HWRP has developed its capacity to remove reusable product from the waste stream and will continue to divert waste from landfill to meet the City's Sustainability Targets and the State Waste Strategy goals.



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Department of Environment Regulation

SITE OPERATIONS SUMMARY

Three qualified refrigerant degassing staff members are employed at HWRP. No degassing occurred in the reporting period due to staff shortages.

The City has a Memorandum of Understanding under the State Government's Household Hazardous Waste (HHW) Program. Under this program, Cleanaway removed 118.86 tonnes of Household Hazardous Waste from the Hazardous Waste Store as follows;

- 61 Loads (94.22 Tonnes) of chemicals and paints and
- 9 Loads (24.64 Tonnes) of gas bottles in the reporting period.

Department of Agriculture, Water and Environment representative conducted their annual audit of the quarantine burial process during the reporting period. The Site's Commonwealth Department Agriculture Water and Environment approval to bury quarantine waste is current.

In 2017 the City commenced a three year roll out program of a (third) 240lt garden waste bin to all properties over 400m². The roll out concluded in November 2019. This bin is serviced fortnightly and an average of 700 tonnes per month is decontaminated, mulched and removed from site for further processing by others. The average contamination in the garden bin waste stream is 1.2%. The City operates a Greenwaste Decontamination Plant at the Henderson Waste Recovery Park. The plant has a throughput capacity of 8 tonnes of greenwaste in an hour. The location (attached) is adjacent the existing greenwaste hardstand area. The plant is positioned on the floor of the excavated limestone quarry, some 70 m south of the existing workshops on Lot 235 Dalison Avenue. This location is 15 to 30m below all surrounding manmade features. This site was chosen so that the operation of this plant will have no noise impact.

Site boundaries and internal buffers have not changed.

During the reporting period, the access road and the tarmac at the temporary transfer station were resurfaced.

During the reporting period, one fire incident was recorded in the Fire Register. This occurred on 20/3/2021 in the greenwaste stockpile area. This fire was extinguished by City staff and DFES. No damage was caused. This smoke fire incident was reported to DWER in the standard N1 Reporting procedure.

In 2021/22 the City continued further development of the Cockburn Resource Recovery Precinct receiving approval the Clearing Permit by the Department of Environment Regulation and completing the Planning Report.

The HWRP operates under an Environmental Management Plan that is central to our Operation Manual. Furthermore, the HWRP management and staff operate under the City's Waste Strategy 2020-2030, the approved DWER Waste Plan and the Sustainability Policy. These documents not only demand improved environmental outcomes and beyond best



Government of Western Australia
Department of Environment Regulation

practice waste management principles but commits the City to further improve its renewable energy targets and environmental sustainability initiatives.

DWER LICENCED PREMISES REPORTING RESPONSIBILITY

The City of Cockburn currently holds a DWER Licence No. L9159/2018/1, which expires on the 22 October 2031. Under 5.2.1 of this Licence, the City is required to submit an Annual Report to the CEO of the Department of Water and Environmental Regulation within 28 calendar days after the end of the annual period

The report is to include:

- Condition 5.2.1. Summary of any failure or malfunction of any pollution control equipment and any environmental incidents that have occurred during the annual period and action taken - Refer Water Pollution Control Conditions
- Condition 5.2.1 Surveyed Topographical contour map depicting the area of planned footprint including cross sections for cut slopes, filled area and un-excavated area - See Attached
- Condition 3.6.1 – Waste input and output data.
- Condition 3.7.1 – Process Monitoring
- Condition 3.8.1– Monitoring of Ambient Groundwater Quality.
- Condition 5.1.3 – Compliance Annual Audit Report
- Condition 5.1.4 - Complaint Summary
- Condition IR5 – Submit a Geotechnical Report

Table 5.2.1

Water Pollution Control Conditions

The Post Winter 2021 Groundwater Monitoring Report for the Site is sent as separate attachment to this Annual Report. The Post Summer 2022 Groundwater Monitoring Report for the site was not completed at the time this report was prepared. This Report will be forwarded to the DWER when it becomes available.

Surveyed Topographical Contour Map

The surveyed topographic contour map depicting the area of filled landfill cells are attached in the submission package to this Report as a DWG file.

Condition 3.6.1

Waste Input and Output Data

Refer to the drop box for spreadsheets detailing:



Government of Western Australia
Department of Environment Regulation

- Landfill reports covering the period March 2021 – February 2022.
- Contaminated waste received. – 3 loads totalling 29.16 Tonnes were received during the reporting period.
- Special Waste Type One. The Asbestos Log Book is available at the HWRP office and details all asbestos waste placements. The asbestos disposal area is a single column in Cell Seven. The GPS coordinates are therefore consistent with every burial.
North West Corner S=32 degrees 09 .911. E= 115 degrees 47.943.
North East Corner S =32 degrees 09.912. E= 115 degrees 47.971.
South West Corner S= 32 degrees 09.922 E= 115 degrees 47.941.
South East Corner S=32 degrees 09 .926 E= 115 degrees 47.970.
32.1 tonnes were received and buried in the reporting period.
- Special Waste Type Two. The Clinical Waste Logbook is available at the HWRP and identifies the GPS location of each individual burial. 1,165.42 Tonnes were landfilled in the reporting period.
- Quarantine Waste. The Quarantine Burial Logbook is available at the HWRP and identifies the GPS location of each individual burial. 36.28 tonnes were landfilled in the reporting period.
- Waste Leaving the Site. The Rejected Loads Register recorded four rejected loads during the reporting period by the Weighbridge Officers as non-compliant commercial loads. One rejected load was a domestic customer who failed to correctly wrap asbestos. Two Commercial Loads of profilings and 1 load was drillers mud that was not spadeable. 2 Residents had failed to correctly wrap their asbestos. This Register is available in the Henderson Waste Recovery Park Weighbridge Office

Condition 3.7.1

Process Monitoring

Mulched Greenwaste Windrows

Currently greenwaste is removed from the domestic waste stream only and stockpiled onsite until it is mulched. The City has completed the roll out of a garden waste bin across the City. The contents of these bins are deposited on the greenwaste hardstand area at the HWRP to be decontaminated and chipped into mulch. The stockpiles of greenwaste and mulch have not exceeded the respective 2000m³ or 6000m³ limits as specified in the Licence Conditions.

Greenwaste was normally stored in a manner that minimises fire risk. Historically, large stockpiles of mulch are removed within two days of processing. The difficulties in finding a market for the decontaminated greenwaste lead to stockpiles that were not consistent with the parameters identified in the Site's Licence. The City is utilising all resources in order to manage the greenwaste in accordance with Licence conditions.

In addition to the commercial greenwaste stockpiles, small amounts remain on site (< 100m³) for consumption, free of charge, by HWRP domestic users. Any large mulch stockpile is monitored throughout the holding period for temperature and recorded in the Greenwaste Log Book according to the Licence Conditions.



Government of Western Australia
Department of Environment Regulation

Leachate Monitoring

Refer to Ground Water Monitoring Report in the submission package.

Condition 3.8.1

Monitoring of Ambient Groundwater Quality

The October Post Winter 2021 Ground Water Monitoring Reports is included in the submission package. The Post Summer 2022 Groundwater Monitoring Report will be forwarded to the DWER when completed. These Reports were undertaken by Strategen JBS&G for the HWRP under the WALGA Landfill Groundwater and Contaminated Site Tender.

Condition 5.1.3

Compliance Annual Audit Report.

Refer to Section B.

Condition 5.1.4

Complaint Summary

Three complaints were received during the reporting period. One related to dust and two were registered as a result of odour. All complaints were noted in the Complaints Register during the reporting period.

Condition IR5

Submit a Geotechnical Report

Refer to the submission package.

Schedule 2: Reporting & notification forms

These forms are provided for the proponent to report monitoring and other data required by the Licence. They can be requested in an electronic format.

ANNUAL AUDIT COMPLIANCE REPORT PROFORMA



Government of Western Australia
Department of Environment Regulation

SECTION A

LICENCE DETAILS

| | |
|---|--|
| Licence Number: L9159/2018/1 | Licence File Number: DER2018/001433 |
| Company Name: CITY OF COCKBURN | ABN: 27471341209 |
| Trading as: CITY OF COCKBURN | |
| Reporting period: 2/03/21 to 1/03/22 | |

STATEMENT OF COMPLIANCE WITH LICENCE CONDITIONS

1. Were all conditions of the Licence complied with within the reporting period? (please tick the appropriate box)

Yes ☐ Please proceed to Section C

No ☒ Please proceed to Section B

Each page must be initialled by the person(s) who signs Section C of this Annual Audit Compliance Report (AACR).

1. Were all conditions of the Licence complied with within the reporting period? (please tick the appropriate box)

Yes ☐ Please proceed to Section C

No ☒ Please proceed to Section B

Initial: 



Government of Western Australia
Department of Environment Regulation

SECTION B

ANNUAL AUDIT COMPLIANCE REPORT FORM

Environmental Protection Act 1986, Part V Division 3

Once completed, please submit this form either via email to info@dwer.wa.gov.au, or to the below postal address:

Department of Water and Environmental Regulation
Locked Bag 10
Joondalup DC WA 6919

| Section A – Licence details | | | |
|------------------------------|-------------------------------|----------------------|----------------|
| Licence number: | L9159 | Licence file number: | DER2018/001433 |
| Licence holder name: | City of Cockburn | | |
| Trading as: | Henderson Waste Recovery Park | | |
| ACN: | | | |
| Registered business address: | | | |
| Reporting period: | 2/3/2021 to 1/3/2022 | | |

| Section B – Statement of compliance with licence conditions |
|--|
| Did you comply with all of your licence conditions during the reporting period? (please tick the appropriate box) |
| <input type="checkbox"/> Yes – please complete: <ul style="list-style-type: none"> • section C; • section D (if required); and • sign the declaration in Section F. |
| <input checked="" type="checkbox"/> No – please complete: <ul style="list-style-type: none"> • section C; • section D (if required); • section E; and • sign the declaration in Section F. |

Initial: 



Government of Western Australia
Department of Environment Regulation

Leachate Spill 1 – 8 July 2021

Section C – Statement of actual production

Provide the actual production quantity for this reporting period. Supporting documentation is to be attached.

| Prescribed premises category | Actual production quantity |
|------------------------------|----------------------------|
| 64 | 140,176 tonnes |

Section D – Statement of actual Part 2 waste discharge quantity

Provide the actual Part 2 waste discharge quantity for this reporting period. Supporting documentation is to be attached.

| Prescribed premises category | Actual Part 2 waste discharge quantity |
|------------------------------|--|
| 64 | 5,000Lts |

Section E – Details of non-compliance with licence condition

Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.

| | | | |
|---|--------------------------|----------------------------|-------------|
| Condition no: | Waste Processing Table 2 | Date(s) of non-compliance: | 8 July 2021 |
| Details of non-compliance: | | | |
| Leachate discharges outside landfill cell liner. | | | |
| What was the actual (or suspected) environmental impact of the non-compliance? | | | |
| NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place. | | | |
| Potential contamination of aquifer | | | |
| Cause (or suspected cause) of non-compliance: | | | |
| Storm event involving heavy, prolonged, rain | | | |
| Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance: | | | |
| Affected soil removed, soil samples taken of remediated area, validation report submitted to DWER, non-compliance close out by DWER and clay bund walls constructed | | | |
| Was this non-compliance previously reported to DWER? | | | |
| <input checked="" type="checkbox"/> Yes | | | |
| <input type="checkbox"/> Reported to DWER verbally | | Date: // | |
| <input checked="" type="checkbox"/> Reported to DWER in writing | | Date: 8/7/21 | |

Initial: 

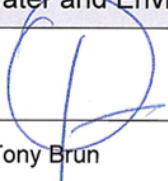


Government of Western Australia
Department of Environment Regulation

Section F – Declaration

I / We declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particularⁱ.

I / We consent to the Annual Audit Compliance Report being published on the Department of Water and Environmental Regulation's (DWER) website.

| | | | |
|---------------------------|---|--------------------|--|
| Signature ⁱⁱ : |  | Signature: | |
| Name: (printed) | Tony Brun | Name: (printed) | |
| Position: | CEO | Position: | |
| Date: | 31.3.2022 | Date: | |

Leachate Spill 2 – 27 July 2021

Section D – Statement of actual Part 2 waste discharge quantity

Provide the actual Part 2 waste discharge quantity for this reporting period. Supporting documentation is to be attached.

| Prescribed premises category | Actual Part 2 waste discharge quantity |
|------------------------------|--|
| 64 | 40,000Lts |

Initial: 



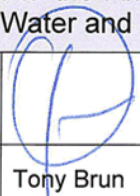
Government of Western Australia
Department of Environment Regulation

| Section E – Details of non-compliance with licence condition | | | |
|---|--------------------------|----------------------------|--------------|
| Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period. | | | |
| Condition no: | Waste Processing Table 2 | Date(s) of non-compliance: | 27 July 2021 |
| Details of non-compliance: | | | |
| Leachate discharges outside landfill cell liner | | | |
| What was the actual (or suspected) environmental impact of the non-compliance? | | | |
| NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place. | | | |
| Potential contamination of aquifer | | | |
| Cause (or suspected cause) of non-compliance: | | | |
| Storm event involving heavy, prolonged, rain | | | |
| Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance: | | | |
| Affected soil removed, soil samples taken of remediated area, validation report submitted to DWER, non-compliance close out by DWER and clay bund walls constructed | | | |
| Was this non-compliance previously reported to DWER? | | | |
| <input checked="" type="checkbox"/> Yes | | | |
| <input type="checkbox"/> Reported to DWER verbally | | Date: / / | |
| <input checked="" type="checkbox"/> Reported to DWER in writing | | Date: 27/7/2021 | |

Initial:



Government of Western Australia
Department of Environment Regulation

| Section F – Declaration | | | |
|---|---|--------------------|--|
| I / We declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particular ⁱⁱⁱ . | | | |
| I / We consent to the Annual Audit Compliance Report being published on the Department of Water and Environmental Regulation's (DWER) website. | | | |
| Signature ^{iv} : |  | Signature: | |
| Name: (printed) | Tony Brun | Name: (printed) | |
| Position: | CEO | Position: | |
| Date: | 31.3.2022 | Date: | |

Leachate Spill 3 – 30 January 2022

| Section C – Statement of actual production | |
|---|----------------------------|
| Provide the actual production quantity for this reporting period. Supporting documentation is to be attached. | |
| Prescribed premises category | Actual production quantity |
| 64 | 140,176 tonnes |

| Section D – Statement of actual Part 2 waste discharge quantity | |
|---|--|
| Provide the actual Part 2 waste discharge quantity for this reporting period. Supporting documentation is to be attached. | |
| Prescribed premises category | Actual Part 2 waste discharge quantity |
| 64 | 50,000Lts |

Initial: 



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Department of Environment Regulation

Section E – Details of non-compliance with licence condition

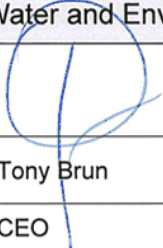
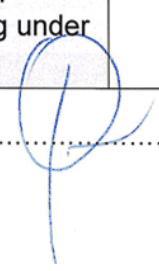
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.

| | | | |
|---|--------------------------|----------------------------|-----------------|
| Condition no: | Waste Processing Table 2 | Date(s) of non-compliance: | 30 January 2022 |
| Details of non-compliance: | | | |
| Leachate discharges outside landfill cell liner | | | |
| What was the actual (or suspected) environmental impact of the non-compliance? NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place. | | | |
| Potential contamination of aquifer | | | |
| Cause (or suspected cause) of non-compliance: | | | |
| Water level reached above 50% of holding limit, resulting in temporary windrow wall failure | | | |
| Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance: | | | |
| Affected soil removed, soil samples taken of remediated area, validation report submitted to DWER, non-compliance close out by DWER and clay bund walls constructed | | | |
| Was this non-compliance previously reported to DWER? | | | |
| <input checked="" type="checkbox"/> Yes | | | |
| <input type="checkbox"/> Reported to DWER verbally | | Date: / / | |
| <input checked="" type="checkbox"/> Reported to DWER in writing | | Date: 10/1/2022 | |

Section F – Declaration

I / We declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particular^v.

I / We consent to the Annual Audit Compliance Report being published on the Department of Water and Environmental Regulation's (DWER) website.

| | | | |
|-------------------------------|---|-----------------|--|
| Signature ^{vi} : |  | Signature: | |
| Name: (printed) | Tony Brun | Name: (printed) | |
| Position: | CEO | Position: | |
| Date: | | Date: | |
| Seal (if signing under seal): |  | | |

Initial:



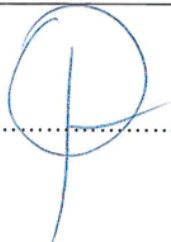
Government of Western Australia
Department of Environment Regulation

Complaint 1 – Odour -17 March 2021

| Section C – Statement of actual production | | | |
|---|----------------------------|--|--|
| Provide the actual production quantity for this reporting period. Supporting documentation is to be attached. | | | |
| Prescribed premises category | Actual production quantity | | |
| 64 | 140,176 tonnes | | |

| Section D – Statement of actual Part 2 waste discharge quantity | | | |
|---|--|--|--|
| Provide the actual Part 2 waste discharge quantity for this reporting period. Supporting documentation is to be attached. | | | |
| Prescribed premises category | Actual Part 2 waste discharge quantity | | |
| 64 | Odour discharge across the boundary to be zero | | |

| Section E – Details of non-compliance with licence condition | | | |
|--|-------|----------------------------|---------------|
| Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period. | | | |
| Condition no: | 2.7.1 | Date(s) of non-compliance: | 17 March 2021 |
| Details of non-compliance: | | | |
| Odour reported outside the boundary premises. | | | |
| What was the actual (or suspected) environmental impact of the non-compliance? | | | |
| NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place. | | | |
| The north east corner of Cell 7 released odour due to the erosion of cover due to strong easterly winds over several weeks. Resolution - area was recovered in the am of 18/03/21. | | | |
| Cause (or suspected cause) of non-compliance: | | | |
| As above. | | | |
| Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance: | | | |
| Ongoing surveillance of covered landfill areas. | | | |
| Was this non-compliance previously reported to DWER? | | | |
| <input checked="" type="checkbox"/> No | | | |
| <input type="checkbox"/> Reported to DWER verbally | | Date: / / | |
| <input type="checkbox"/> Reported to DWER in writing | | Date: / / | |

Initial: 

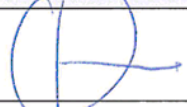


Government of Western Australia
Department of Environment Regulation

Section F – Declaration

I / We declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particular^{vii}.

I / We consent to the Annual Audit Compliance Report being published on the Department of Water and Environmental Regulation's (DWER) website.

| | | | |
|-----------------------------|---|--------------------|--|
| Signature ^{viii} : |  | Signature: | |
| Name: (printed) | Tony Brun | Name: (printed) | |
| Position: | CEO | Position: | |
| Date: | 31.3.2022 | Date: | |
| | | | |

Complaint 2 – Dust and Odour -1 March 2022

Section C – Statement of actual production

Provide the actual production quantity for this reporting period. Supporting documentation is to be attached.

| Prescribed premises category | Actual production quantity |
|------------------------------|----------------------------|
| 64 | 140,176 tonnes |

Section D – Statement of actual Part 2 waste discharge quantity

Provide the actual Part 2 waste discharge quantity for this reporting period. Supporting documentation is to be attached.

| Prescribed premises category | Actual Part 2 waste discharge quantity |
|------------------------------|---|
| 64 | Odour and dust discharge across the boundary to be zero |

Initial: 



Government of Western Australia
Department of Environment Regulation

Section E – Details of non-compliance with licence condition

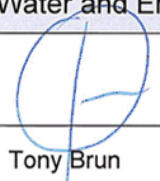
Please use a separate page for each condition with which the licence holder was non-compliant at a time during the reporting period.

| | | | |
|---|-----------------|----------------------------|--------------|
| Condition no: | 2.6.1 and 2.7.1 | Date(s) of non-compliance: | 1 March 2022 |
| Details of non-compliance: | | | |
| Odour, insects and dust reported outside the boundary premises. | | | |
| What was the actual (or suspected) environmental impact of the non-compliance? | | | |
| NOTE – please attach maps or diagrams to provide insight into the precise location of where the non-compliance took place. | | | |
| Dust, odour from batter reshaping. Insects from the greenwaste stockpiles. No identifiable odour was noted by Staff. Department of Primary Industry insect monitoring stations were free of insects and non were identified in the greenwaste stockpiles. | | | |
| Cause (or suspected cause) of non-compliance: | | | |
| As above. | | | |
| Action taken to mitigate any adverse effects of non-compliance and prevent recurrence of the non-compliance: | | | |
| Monitor dust, deploy water cannon and do not use dusty material for cover. No insects found on site | | | |
| Was this non-compliance previously reported to DWER? | | | |
| <input checked="" type="checkbox"/> No | | | |
| <input type="checkbox"/> Reported to DWER verbally | | Date: / / | |
| <input type="checkbox"/> Reported to DWER in writing | | Date: / / | |

Section F – Declaration

I / We declare that the information in this Annual Audit Compliance Report is true and correct and is not false or misleading in a material particular^x.

I / We consent to the Annual Audit Compliance Report being published on the Department of Water and Environmental Regulation's (DWER) website.

| | | | |
|--------------------------|---|-----------------|--|
| Signature ^x : |  | Signature: | |
| Name: (printed) | Tony Brun | Name: (printed) | |
| Position: | CEO | Position: | |
| Date: | 31.3.2022 | Date: | |

Initial: 



Government of Western Australia
Department of Environment Regulation

SECTION C

SIGNATURE AND CERTIFICATION

This Annual Audit Compliance Report (AACR) may only be signed by a person(s) with legal authority to sign it. The ways in which the AACR must be signed and certified, and the people who may sign the statement, are set out below.

Please tick the box next to the category that describes how this AACR is being signed. If you are uncertain about who is entitled to sign or which category to tick, please contact the licensing officer for your premises.

| If the licence holder is | | The Annual Audit Compliance Report must be signed and certified: |
|--|--|--|
| An individual | <input type="checkbox"/> by the individual licence holder, or <input type="checkbox"/> by a person approved in writing by the Chief Executive Officer of the Department of Environment Regulation to sign on the licensee's behalf. | |
| A firm or other unincorporated company | <input type="checkbox"/> by the principal executive officer of the licensee; or <input type="checkbox"/> by a person with authority to sign on the licensee's behalf who is approved in writing by the Chief Executive Officer of the Department of Environment Regulation. | |
| A corporation | <input type="checkbox"/> by affixing the common seal of the licensee in accordance with the <i>Corporations Act 2001</i> ; or <input type="checkbox"/> by two directors of the licensee; or <input type="checkbox"/> by a director and a company secretary of the licensee, or <input type="checkbox"/> if the licensee is a proprietary company that has a sole director who is also the sole company secretary – by that director, or <input type="checkbox"/> by the principal executive officer of the licensee; or <input type="checkbox"/> by a person with authority to sign on the licensee's behalf who is approved in writing by the Chief Executive Officer of the Department of Environment Regulation. | |
| A public authority (other than a local government) | <input type="checkbox"/> by the principal executive officer of the licensee; or <input type="checkbox"/> by a person with authority to sign on the licensee's behalf who is approved in writing by the Chief Executive Officer of the Department of Environment Regulation. | |
| a local government | <input checked="" type="checkbox"/> by the chief executive officer of the licensee; or <input type="checkbox"/> by affixing the seal of the local government. | |

It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular. There is a maximum penalty of \$50,000 for an individual or body corporate.

Initial: 



Government of Western Australia
Department of Environment Regulation

I/We declare that the information in this annual audit compliance report is correct and not false or misleading in a material particular.

SIGNATURE: _____

NAME:
(printed) Tony Brun

POSITION: Chief Executive Officer

DATE: 31.3.2022

SIGNATURE: _____

NAME:
(printed) _____

POSITION: _____

DATE: ____/____/____

- ⁱ It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular.
- ⁱⁱ AACRs can only be signed by the licence holder or an authorised person with the legal authority to sign on behalf of the licence holder.
- ⁱⁱⁱ It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular.
- ^{iv} AACRs can only be signed by the licence holder or an authorised person with the legal authority to sign on behalf of the licence holder.
- ^v It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular.
- ^{vi} AACRs can only be signed by the licence holder or an authorised person with the legal authority to sign on behalf of the licence holder.
- ^{vii} It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular.
- ^{viii} AACRs can only be signed by the licence holder or an authorised person with the legal authority to sign on behalf of the licence holder.
- ^{ix} It is an offence under section 112 of the *Environmental Protection Act 1986* for a person to give information on this form that to their knowledge is false or misleading in a material particular.
- ^x AACRs can only be signed by the licence holder or an authorised person with the legal authority to sign on behalf of the licence holder.

14. Community Services

Nil

15. Governance and Strategy

15.1 Strategic Risk Report

Author Emma Milne

Attachments N/A

Recommendation of the Committee

That Council:

- (1) RECEIVES the Strategic Risk Report.

Background

This report provides an overview to the Audit, Risk and Compliance Committee (ARC) of the City of Cockburn (the City) Strategic Risk Register.

Following Tender RFT26/2020, Risk Management and Safety Systems Pty Ltd, trading as RMSS, was retained by the City and awarded a three-year contract with the City ending 2024 with a two-year option for extension.

RMSS is a cloud based online enterprise risk management software, and version 16 of the software was brought online for the City on 26 April 2022.

This report to the ARC is an update on the status of the City's Strategic Risk Register since that implementation.

Submission

N/A

Report

The following is a summary of the City's Strategic Risk Register, following implementation of RMSS version 16:

- There are seven identified strategic risks – owned and monitored by the Executive
- All risks in the City's Risk Register have been renumbered in priority with their residual risk level; the first seven are strategic risks, followed by 275 operational risks
- As part of the contract with RMSS, the implementation package includes training by RMSS on how to manage risks online.

This has commenced with the roll-out of the new version.

The strategic risks, residual risk levels are summarised in Table 1 below and superimposed on a risk heat map as shown in Figure 1 below.

An update of the seven strategic risks in the City's Risk Register is shown in Table 2 below.

At the time of this report, the Executive Governance and Strategy had recommended a review of the following Strategic Risks:

Risk 300 - Business Continuity and Crisis Management

Description - Failure to provide business continuity of the City's core services in the event of a major crisis/emergency

Rating - *Extreme 25*

Reason - The consequence 'Catastrophic' and likelihood 'Almost Certain' were adopted by the Executive on July 2020, and subsequently by the former Audit and Strategic Finance Committee on 16 July 2020, following the declaration of the State of Emergency in WA on 15 March 2020 due to the COVID-19 pandemic.

The City of Cockburn Infectious Disease Pandemic Business Continuity Plan was implemented by the Crisis Management Team at the time.

The rationale adopted at the time was that due to no COVID-19 vaccine available at the time, it was deemed by the WA Health Department that the Delta variant of COVID-19 caused more severe disease and death than previous variants, and infection would almost certainly follow contraction of the virus.

With 95% of the WA population now being double vaccinated, it would be reasonable to review the likelihood to 'Possible', and the consequence to 'Major' - this would drop the risk to Moderate 9.

It is also worth noting that due to actions by both the WA government and the City, services have continued to be provided through the past two years.

Risk 294 - Strategic Direction

Description - Lack of clear and aligned strategic vision, direction, and implementation

Rating - *Substantial 12*

Reason - This risk assignment of Substantial 12 was completed by the Executive in March 2019 and submitted to the former Audit and Strategic Finance Committee on 18 July 2019.

The risk analysis at the time was a likelihood of 'Critical' and a consequence of 'Possible' – of having a 'lack of clear and aligned strategic vision, direction and implementation' – this was a time of significant instability and change in leadership at the City of Cockburn.

Since the appointment by Council of a new Chief Executive Officer (CEO) in February 2021, and the formation of a new Executive Team with a strong mix of former and new members, the transformation journey of the organisation is progressing well.

This includes more transparent reporting and communication with Council, including Elected Member queries, quarterly KPI reporting, Council-led budget preparation, including Service and Project Plans, and strong support for the CEO in the recent (former) Chief Executive Officer Performance Review and Key Projects appraisal Committee (CEOPR) meeting in February 2022, particularly in the areas of communication, innovation, and business organisational and leadership.

This indicates that a substantial risk indicator for strategic direction for a lack of clear and aligned strategic vision, direction, and implementation is no longer warranted.

| Residual risk level | Total number of strategic risks | |
|---------------------|---------------------------------|---|
| Extreme | 1 | 7 |
| High | 0 | |
| Substantial | 1 | |
| Moderate | 5 | |
| Low | 0 | |

Table 1: RMSS Strategic Risks Residual Risk Levels

| | | Likelihood | | | | |
|-------------------|--------------------|---|--------------------------|-----------------------------|-------------------|-------------------------|
| | | Rare 1 | Unlikely 2 | Possible 3 | Likely 4 | Almost Certain 5 |
| Consequence | Insignificant 1 | Low 1 | Low 2 | Low 3 | Low 4 | Moderate 5 |
| | Minor 2 | Low 2 | Low 4 | Moderate 6 | Moderate 8 | Substantial 10 |
| | Major 3 | Low 3 | Moderate 6 | Moderate 9 3 Risks | Substantial 12 | High 15 |
| | Critical 4 | Low 4 | Moderate 8 2 Risks | Substantial 12 1 Risk | High 16 | Extreme 20 |
| | Catastrophic 5 | Moderate 5 | Substantial 10 | High 15 | Extreme 20 | Extreme 25 1 Risk |
| Risk rating | | Description | | | | |
| Extreme 20-25 | | Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring. | | | | |
| High 15-16 | | Risk acceptable with effective controls, managed by ExCo. Subject to quarterly monitoring or continuous review throughout project lifecycle. | | | | |
| Substantial 10-12 | | Accepted with detailed review and assessment. Action Plan prepared and continuous review. | | | | |
| Moderate 5-9 | | Risk acceptable with adequate controls, managed by specific procedures. Subject to semi-annual monitoring or continuous review throughout project lifecycle. | | | | |
| Low 1-4 | | Risk acceptable with adequate controls, managed by routine procedures. Subject to annual monitoring or continual review throughout project lifecycle. | | | | |

Figure 1: Strategic risks superimposed on the risk matrix heat map

Table 2: Update - Strategic Risks in City's Risk Register

| Risk ID | | Risk Name | Risk Description | Risk Rating | Risk Owner |
|---|----------|---|---|-------------------|------------|
| New | Previous | | | | |
| 1 | 300 | Business Continuity and Crisis Management | Failure to provide business continuity of the City's core services in the event of a major crisis /emergency. | Extreme 25 | Emma Milne |
| Action Update <ol style="list-style-type: none"> Review of the City's response plans and ensure on-going testing is in place; Develop business continuity plan for other identified critical service locations, including outlying workplaces such as Cockburn Integrated Health Centre, Jean Willis Centre, Coolbellup Community Hub, Cockburn Youth Centre, Port Coogee Marina; Request service identified business continuity planning service providers for estimates; The City's infectious disease business continuity plan is being utilised during the COVID-19 pandemic - ongoing; and As the WA state government directives under the Declaration of State Emergency on 16 March 2020 emergency are still in place, ensure that the Crisis Management Team are meeting weekly to review management arrangements for staff to ensure availability of back up team members in case working from home is needed due isolation requirements from WA Health - ongoing. | | | | | |
| Risk ID | | Risk Name | Risk Description | Risk Rating | Risk Owner |
| New | Previous | | | | |
| 2 | 294 | Strategic direction | Lack of clear and aligned strategic vision, direction, and implementation | Substantial 12 | Emma Milne |
| Actions Update <ol style="list-style-type: none"> Investigate digital platforms for information and reporting strategies (i.e. Intramaps software) to increase visibility and alignment. The City's key performance indicator management tool, <i>CAMS Strategy</i>, has been decommissioned. The City is now using M365 and Power BI to enable reporting on performance of informing strategies that feed into the Strategic Community Plan, Corporate Business Plan and the Long Term Financial Plan; and Report and itemise individual financial implications of informing strategies in the <i>City of Cockburn Long Term Financial Plan 2019-2020 to 2032-2033</i>. | | | | | |

| Risk ID | | Risk Name | Risk Description | Risk Rating | Risk Owner |
|---|----------|-----------------------------|--|---------------|----------------|
| New | Previous | | | | |
| 3 | 296 | Project Management Planning | Failure to consistently plan for capital works projects | Moderate 9 | Anton Lees |
| Action Update <p>1. The <i>Project Portfolio Management</i> (PPM) solution roll out is ongoing with additional users upskilled / trained and allocated access in the production live environment. Furthermore, there is project management culture improvement in understanding and appreciation of the <i>Quality Management Triangle</i>.</p> <p>In addition, has been increased improvement and automation of Project Management information reporting with Executive Management Report (EMR) and detailed project dashboards.</p> <p>Continued upskilling and development is planned through the year.</p> <p>2. At organisational level, been cultural improvements in decision making (and support) with better understanding of the Quality Management principles and accorded more due diligence in the scoping and assessment elements (PPM target goals) most notably:</p> <ul style="list-style-type: none"> • Stage 2 Operational Centre; and • Aboriginal Cultural Centre. <p>3. All participants appreciate the capabilities being offered through the solution and its benefit, noting the steep learning curve requirements and knowledge gap to get on board.</p> <p>The COVID-19 pandemic has impacted the roll out momentum as taken away upskilling and shadowing engagements with participants; and</p> <p>4. The COVID-19 pandemic has impacted the roll out momentum and taken away upskilling and shadowing engagements with participants.</p> <p>5. Time, focus and workload remains the biggest challenge for users' roll out which will need emphasis to ensure PPM users remain engaged, especially with this high knowledge management level required to be retained, else will require retraining.</p> | | | | | |
| Risk ID | | Risk Name | Risk Description | Risk Rating | Risk Owner |
| New | Previous | | | | |
| 4 | 298 | Stakeholder relationships | Failure to develop and maintain strategic partnerships and relationships with government agencies and other key stakeholders | Moderate 9 | Victoria Green |
| Actions Update <p>1. Proactive program of stakeholder engagement implemented;</p> <p>2. Stakeholder management database implementation;</p> <p>3. Advocacy team resourced to lead and support stakeholder engagement activity;</p> <p>4. To be further refined in consultation with the incoming Chief Executive Officer.</p> | | | | | |

| Risk ID | | Risk Name | Risk Description | Risk Rating | Risk Owner |
|---|----------|-------------------------------|--|---------------|----------------|
| New | Previous | | | | |
| 5 | 299 | Built and Natural Environment | Failure to maintain the City's natural environment and resources in a sustainable manner. | Moderate 9 | Daniel Arndt |
| Actions Update <ol style="list-style-type: none"> 1. Implement the <i>Climate Change Strategy 2020</i>; 2. Implement the <i>Coastal Adaptation Plan 2020</i>; 3. Implement the <i>Cockburn Coast Foreshore Management Plan 2020</i>; 4. Implement the <i>Integrated Transport Strategy 2020 – 2030</i>; 5. Implement the <i>Sustainability Action Plan 2017 – 2022</i>; 6. Implement the <i>Urban Forest Plan 2018 – 2019</i>; 7. Implement the streetscape improvement plans and revitalisation strategies; 8. Implement the <i>Marina and Coastal Asset Management Plan</i>; 9. Provide updates on progression of the City-wide tree planting program. | | | | | |
| Risk ID | | Risk Name | Risk Description | Risk Rating | Risk Owner |
| New | Previous | | | | |
| 6 | 295 | Technology Use and Change | Failure to identify, manage and capitalise on the effectiveness and efficient use of changing technology | Moderate 8 | Stuart Downing |
| Action Status <ol style="list-style-type: none"> 1. Develop and implement the <i>City of Cockburn 2019-2023 Digital Cockburn – A Smart City</i>. This has been developed and adopted by Council in June 2019. A range of projects are currently underway in line with the action plane contained within the strategy: <ul style="list-style-type: none"> • The initiative for 2020-21 is Project '<i>BETTI</i>' (Building Efficiency Through Technological Innovation). This will see the majority of all City buildings overtime controlled, opened, closed and monitor through the implementation of smart technology • The proposed bulk global luminaire replacement with Smart LED streetlights. The aim is to have in place smart lights to measure power consumption, alert for maintenance, improve night road and footpath light fall. 2. The City continues to implement up-to-date technical and governance controls in line with goal of achieving ISO 27001 certification by conducting cyber security audits with industry specialists, to ensure that the City is adopting best of breed cyber security technologies and governance methods. The adoption of these up to date technologies will ensure that the City is committed to protecting the information assets of businesses and residents, 3. Conduct cyber security governance audits. The City has undertaken an external cyber security governance audit and developed a three year action plan. 4. A contract employee specialising in cyber security was appointed to drive the action plan with the ultimate aim to obtain ISO certification. The Officer of the Auditor General of WA has also undertaken a Performance Audit into this area, 5. The <i>City of Cockburn Information and Cyber Security Policy</i> was adopted by Council in September 2019; and 6. The Office of the Auditor General (AOG) of WA has undertaken a Performance Audit into this area in October 2019. The City was chosen as a participant and a comprehensive audit of the City's general computer controls that include Cyber security (draft 17 findings, none rated significant). The findings were tabled in Parliament in June 2020. The City has agreed to implement findings of the OAG report as part of the above plan. The plan and its actions are reviewed every three months by the Executive. | | | | | |

| Risk ID | | Risk Name | Risk Description | Risk Rating | Risk Owner |
|---|----------|--------------------------|--|---------------|----------------|
| New | Previous | | | | |
| 7 | 297 | Financial sustainability | Erosion of Council's financial sustainability. | Moderate 8 | Stuart Downing |
| Actions Update <ol style="list-style-type: none"> The Strategic Asset Management Module remains the basis of Asset Management Planning (AMP) for the City. Financial implications contained in the AMPs are translated to the LTFP including new assets like Port Coogee Marina and Cockburn ARC. The LTFP was reviewed and adopted by Council in 2020 (accompanying the annual budget). The LTFP mirrors the aspirations of the <i>City of Cockburn Corporate Business Plan 2016-2017 to 2019-2020</i> (CBP) and Strategies adopted by Council. The LTFP was reviewed in 2021 in line with the municipal budget and CBP to consider the impacts of COVID-19 on rating, and other fiscal constraints. The City's risk register was reviewed to include risks related to fraud and misconduct. The review comprised risks updates, risks profiles against the City's risk appetite, including the risk likelihood and consequence, control effectiveness, ability to influence the risk and appropriate treatment plan. The City has completed and submitted the 2020 Public Sector Commission Integrity and Conduct annual collection which summarises the City's processes, initiatives, and activities related to integrity and conduct pursuant to the <i>Public Sector Management Act 1994</i>; <i>Public Interest Disclosure Act 2003</i>; and the <i>Corruption, Crime and Misconduct Act 2003</i>. The City's <i>Employee Code of Conduct</i> underwent a comprehensive review in September 2020 with a number of sections updated, particularly in the areas of: <ul style="list-style-type: none"> Conflict of Interest Workplace Behaviour Personal Conduct Relationships with Elected Members Reporting Violations. The City facilitated in-house Fraud Awareness Training (delivered by LGIS) in November 2020 for key staff with greater risk exposure, as nominated by management; Management of Conflict of Interest training was also delivered in-house to the executive, senior management team and supervisors/coordinators by the Public Sector Commission in November 2020; The City's process for sourcing and on boarding suppliers was overhauled, with additional controls and checks and balances included; and The City's online Learning & Development modules are being updated to incorporate more specific awareness training for staff. | | | | | |

This report confirms the City has appropriate and effective systems to manage risk aligned to standard AS ISO 31000:2018 *Risk management-Guidelines*.

Strategic Plans/Policy ImplicationsListening & Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

N/A

Community Consultation

N/A

Risk Management Implications

Failure to adopt the recommendation to receive the report will result in the inability to support an integrated and effective approach to risk management and lack of guidance on the arrangements for designing, implementing, monitoring and continually improve risk management processes.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

15.2 Terms of Reference - Proposed Update

Author Emma Milne

Attachments 1. Audit, Risk and Compliance - Draft Terms of Reference [↓](#)
2. ARC Calendar of Business – 2 Year Election Cycle [↓](#)

RECOMMENDATION

That Council:

- (1) ADOPTS the revised Audit Risk and Compliance Terms of Reference aligned with the two-year Electoral cycle; and
- (2) ADOPTS the revised Audit Risk and Compliance Calendar aligned with the two-year Electoral cycle.

Background

At the Governance Committee (GovCo) Meeting, 21 April 2022, a recommendation was proposed by Cr Corke to amend the GovCo calendar cycle to align with the two-year Electoral cycle.

As such all Committees of Council Terms of Reference and Calendars of Business are being edited to reflect the same structure.

Report

The revised Audit Risk and Compliance Terms of Reference and Calendar of Business aligned with the two-year Electoral cycle is presented to the Committee for adoption.

There are no additional changes.

Strategic Plans/Policy Implications

Listening & Leading

A community focused, sustainable, accountable, and progressive organisation.

- Best practice Governance, partnerships and value for money.

Budget/Financial Implications

N/A

Legal Implications

Division 1A – Audit Committee *Local Government Act 1995*

Regulation 16 Functions of Audit Committee *Local Government (Audit) Regulations 1996*

Community Consultation

N/A

Risk Management Implications

The consequence of this action for “Compliance” is considered minor.

Advice to Proponent(s)/Submitters

N/A

Implications of Section 3.18(3) *Local Government Act 1995*

Nil

**DRAFT**

Audit, Risk and Compliance Committee (ARC)

Terms of reference

Background

1. The Audit, Risk and Compliance Committee (ARC) is a formally appointed Committee of Council.
2. The ARC does not have executive powers or authority to implement actions in areas over which the administration (management) has responsibility and remains independent of the administration.

Objectives and Duties

1. As part of the Council's obligations, the ARC facilitates:
 - a. external financial audit reporting;
 - b. the examination of an Annual Financial Audit Report received and follow up of any matters raised in the Report and subsequent management letter, to ensure appropriate action is taken in respect of those matters;
 - c. vetting and responding to Office of the Auditor General (OAG) Local Government performance audits, whether the City is directly involved or not;
 - d. compliance with the Council functions under Part 6 of the Local government act 1995 (the Act) in relation to the City's financial management;
 - e. compliance with the Council functions under Part 7 of the Act in relation to Audit requirements;
 - f. an appropriate internal audit program endorsed by Council;
 - g. the review of the CEO's Report provided under:
 - i. Regulation 17 (3) of the Local Government (Audit) regulations 1996; and
 - ii. Regulation 5 (2) (c) of the Local Government (Financial Management) Regulations 1996;
 - h. compliance with Regulation 17 of the Local Government (Audit) Regulations 1996 in relation to:
 - i. Risk management;
 - ii. Internal control; and

- iii. Legislative compliance;
and to review the appropriateness and effectiveness of the systems and procedures in relation to these matters on a triennial basis every three (3) financial years;
 - i. effective communication between the external auditor, internal auditor, administration (management) and the Council;
 - j. effective management of financial and other risks to the City through a comprehensive risk management framework;
 - k. the protection of City assets; and
 - l. review of the annual Compliance Audit Return required under Regulation 14 of the Local government (Audit) Regulations 1996.
- 2. The ARC performs any other function conferred on it by the Act, Regulations, or any other written law.

Membership

- 1. The Committee will comprise of a minimum of four Elected Members, who shall be appointed by Council and one (1) independent appropriately qualified appointed member.
- 2. The CEO and the officers responsible for the external and internal audit functions, risk management and legislative compliance will attend meetings to advise and provide information, as required.
- 3. Other City officers shall attend as required to provide administrative and secretarial support.
- 4. Representatives of the OAG and the contracted external and internal auditor shall be invited to attend the meetings as appropriate but must attend the meetings where the draft annual financial report and results of the external audit are to be considered.

Meetings

- 1. The Committee shall meet on the third Thursday in March, May, July, September, and November and on any other occasion necessitating the consideration of any function of the Committee.
- 2. The Committee shall be held in person at 6:00pm to 7:00pm or at 7:30 to 8:30pm on a rotating basis with the other three Committees as determined in advance, in accordance with the two-year Electoral cycle. ~~by the City for the calendar year.~~
- 3. An Audit Committee Calendar will be produced as guidance for the matters to be included on each regular meeting agenda and will be arranged to coincide with legislative timeframes where necessary

Delegation

1. The ARC will be delegated the authority to meet with the appointed external auditor, as required by section 7.12A of the Act.

Reporting

1. The Committee shall ensure the preparation of meeting minutes to be forwarded to the next practicable ordinary Council Meeting for consideration by Council.
2. The accompanying officer report will include all specific recommendations and a summary of the items considered at the relevant Committee meeting.

Draft

AUDIT, RISK AND COMPLIANCE (ARC) COMMITTEE

Audit Risk and Compliance

Terms of Reference – Objectives and Duties

1. External audit reporting on annual financial statements.
2. The examination of the annual financial audit report (Report) received and follow up of any matters raised in the Report and subsequent management letter, to ensure appropriate action is taken in respect of those matters.
3. Vetting and responding to Office of the Auditor General (OAG) Local Government performance audits, whether the City is directly involved or not.
4. Compliance with the Council functions under Part 6 of the *Local Government Act 1995* (the Act) in relation to the City's financial management.
5. Compliance with the Council functions under Part 7 of the Act in relation to Audit requirements.
6. An appropriate internal audit program endorsed by Council.
7. The review of the CEO's Report provided under:
 - a. Regulation 17 (3) of the *Local Government (Audit) Regulations 1996*; and
 - b. Regulation 5 (2) (c) of the *Local Government (Financial Management) Regulations 1996*.
8. Compliance with Regulation 17 of the *Local Government (Audit) Regulations 1996* in relation to:
 - a. Risk management; and
 - b. Internal control.
9. Legislative compliance - to review the appropriateness and effectiveness of the systems and procedures in relation to these matters on a triennial basis every three (3) financial years.
10. Effective communication between the external auditor, internal auditor, administration (management) and the Council.
11. Effective management of financial and other risks to the City through a comprehensive risk management framework.
12. The protection of City assets.
13. Review of the annual Compliance Audit Return required under Regulation 14 of the *Local Government (Audit) Regulations 1996*.

AUDIT, RISK AND COMPLIANCE (ARC) COMMITTEE

Calendar of Business – 2 Year Election Cycle

Year 1

| | September | November | March | May | July | September |
|--|---|---|---|---|---|---|
| Election 2021 | Review of organisational risks, OSH, Cyber, Harassment & Bullying | Review of Monetary and Non-Monetary Investments | Compliance Audit Return (Part 7) | Review new FY Internal Audit Schedule | Audit Plan for End of Financial Year (KPMG) | Review of organisational risks, OSH, Cyber, Harassment & Bullying |
| | Annual Calendar / Program (following year) | Annual Bad Debts Review and Write-offs | Enterprise Risk Management Framework Review (Biennial 2023) | Review of systems and procedures for risk management; internal control; and legislative compliance (3 yearly program) | Audit Results Report – Annual Financial Audits of Local Government Entities (OAG) | Annual Calendar / Program (following year) |
| | Scheduled Internal Audit Review | Examination of an Annual Financial Audit Report | | Strategic Risk Report | Risk Review Register | Scheduled Internal Audit Review |
| | Operational Risk Report | Legal Proceedings between Council and Other Parties | | Appointment of Independent Auditor | | Operational Risk Report |
| Standing Items | | | | | | |
| Audit Recommendations / Action Status Report | | | | | | |
| Review of OAG focus area/performance audits Report | | | | | | |
| Review of CCC Report | | | | | | |
| Legislative Changes | | | | | | |
| Notifiable incidents reporting | | | | | | |
| Notifiable compliance reporting | | | | | | |

AUDIT, RISK AND COMPLIANCE (ARC) COMMITTEE

Calendar of Business – 2 Year Election Cycle

Year 2

| November | March | May | July | September | Election 2023 |
|---|---|---|---|---|---------------|
| Review of Monetary and Non-Monetary Investments | Compliance Audit Return (Part 7) | Review new FY Internal Audit Schedule | Audit Plan for End of Financial Year (KPMG) | Review of organisational risks, OSH, Cyber, Harassment & Bullying | |
| Annual Bad Debts Review and Write-offs | Enterprise Risk Management Framework Review (Biennial 2023) | Review of systems and procedures for risk management; internal control; and legislative compliance (3 yearly program) | Audit Results Report – Annual Financial Audits of Local Government Entities (OAG) | Annual Calendar / Program (following year) | |
| Examination of an Annual Financial Audit Report | | Strategic Risk Report | Risk Review Register | Scheduled Internal Audit Review | |
| Legal Proceedings between Council and Other Parties | | Appointment of Independent Auditor | | Operational Risk Report | |
| Standing Items | | | | | |
| Audit Recommendations / Action Status Report | | | | | |
| Review of OAG focus area/performance audits Report | | | | | |
| Review of CCC Report | | | | | |
| Legislative Changes | | | | | |
| Notifiable incidents reporting | | | | | |
| Notifiable compliance reporting | | | | | |

16. Corporate Affairs

Nil

17. Office of the CEO

Nil

18. Motions of Which Previous Notice Has Been Given

Nil

19. Notices Of Motion Given At The Meeting For Consideration At Next Meeting

20. New Business of an Urgent Nature Introduced by Members or Officers

21. Matters to be Noted for Investigation, Without Debate

Nil

22. Confidential Business

Nil

23. Closure of Meeting