



MINUTES

AUDIT COMMITTEE MEETING

5 February 2015

TIME: 7.30AM

CITY OF STIRLING

Managing waste and recovering resources responsibly
Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park



TABLE OF CONTENTS

MINUTES.....	1
1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	3
2 ATTENDANCE / APOLOGIES.....	3
3 TERMS OF REFERENCE.....	3
4 DECLARATION OF INTERESTS.....	3
5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING – 24 November 2014.....	3
6 REPORTS	4
6.1 REVIEW OF COMPLIANCE AUDIT	4
6.2 RISK REGISTER SUMMARY	4
6.3 APPOINTMENT OF EXTERNAL AUDITORS	6
7 NEW BUSINESS	7
8 NEXT MEETING	7
9 CLOSURE	7
ATTACHMENT 1	8
ATTACHMENT 2	18
ATTACHMENT 3	21

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The meeting was declared open at 7.30am.

2 ATTENDANCE / APOLOGIES**MEMBERS**

Cr Russ Fishwick (Chair)	City of Joondalup
Cr Bill Stewart (<i>left at 7.48am</i>)	City of Stirling
Cr David Boothman	City of Stirling
Cr Stephanie Proud	City of Stirling
Ms Gayle Rogers	External member

IN ATTENDANCE

Mr Gunther Hoppe	Acting Chief Executive Officer MRC
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VISITORS

Nil

APOLOGIES

Mr Brian Callander	Chief Executive Officer MRC
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3 TERMS OF REFERENCE

The Audit Committee was established by Council under s7.1A of the Local Government Act 1995 and the Terms of Reference for the operation of the Audit Committee were adopted by Council at an Ordinary Council Meeting held on 24 April 2014.

The full Terms of Reference can be found on the MRC's website at:

<http://mrc.wa.gov.au/Documents/Agenda---2014/20140424---Members-Information-Bulletin-No-16.aspx>

The Committee is to facilitate:

- The enhancement of the credibility and objectivity of external financial reporting;
- Effective management of financial and other risks and the protection of Council assets;
- Compliance with laws and regulations as well as use of best practice guidelines relative to auditing;
- The provision of an effective means of communication between the external auditor, the CEO and the Council.

4 DECLARATION OF INTERESTS

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING – 24 NOVEMBER 2014**RESOLVED**

Cr Stewart moved, Cr Boothman seconded

That the Minutes of the Audit Committee Meeting held on 24 November 2014 be confirmed as a true record of the proceedings.

(Carried: 5/0)

6 REPORTS

6.1 REVIEW OF COMPLIANCE AUDIT

The Compliance Audit Return has been completed after an audit was conducted internally by the Mindarie Regional Council Administration.

There were no areas of non-compliance identified.

The Compliance Audit Return is at **Attachment 1**.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee endorse the Compliance Audit Return as presented, for the year 1 January 2014 to 31 December 2014.

A brief discussion was held regarding some of the responses tabled in the report and the following amendments to the responses in the report were proposed:

1. Disclosure of Interest – No 1 – that the answer be amended from ‘Yes’ to ‘N/A’ in light of the fact that no financial interests had been declared by members during the year.
2. Disclosure of Interest – No 2 - that the answer be amended from ‘Yes’ to ‘N/A’ in light of the fact that no financial interests had been declared by members during the year.
3. Official Conduct – No 2 – that a clarification comment be added to the effect that no complaints involving members had been received during the year.

RESOLVED

Cr Stewart moved, Cr Proud seconded

That the Audit Committee endorse the Compliance Audit Return as amended, for the year 1 January 2014 to 31 December 2014.

(Carried: 5/0)

6.2 RISK REGISTER SUMMARY

The MRC’s Risk Register summary was tabled at the Audit Committee meeting held on 24 November 2014.

At the meeting it was agreed that a summarised risk register would be tabled with the Audit Committee every six months for discussion.

A summarised risk register which outlines those risks rated as 'High' or 'Extreme' is at **Attachment 2**.

Management have prepared management plans for each of the risks included in the summary.

Management conducted a full risk register review in January 2015 and the following risks have been removed from/added to the register:

- OPS 23 - Closure due to Total Fire Ban (TFB) and or Total Vehicle Movement Ban (TVMB)
Removed - Downgraded to a rating of 3 as a result of controls put in place and exemption obtained.
- OPS 20 - Failure to provide a safe work environment at resource recovery
Removed - Risk deleted and combined with risk Strat 10
- OPS 09 - Failure to provide a safe work environment at landfill
Removed - Risk deleted and combined with risk Strat 10
- Strat 13 - Inability to attract and/or obtain external funding for long term infrastructure projects
Removed - Risk downgraded to a rating of 5 as a result of controls put in place and recent experience in the finance market obtained.
- STRAT 06 - State Government implements changes to Regional Councils existence
Added – Discussion paper on the WARR Act has created new focus on this risk and as a result, the rating has been upgraded to 15.
- STRAT 10 - Fail to provide safe and suitable work environment at MRC in compliance with OSH legislation
Added – Combination of existing risks and the rating has been upgraded to 10.
- STRAT 14 - Inability to maintain viable markets for recyclable/usable materials
Added – Changes in the market place have seen the rating being upgraded to 12.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the Risk Register Summary presented.

A discussion ensued about the risks tabled, in particular those that had been added to or removed from the list or had had their risk rating altered.

RESOLVED

Cr Stewart moved, Cr Boothman seconded

That the Audit Committee note the Risk Register Summary presented.

(Carried: 5/0)

Cr Stewart left the meeting at 7:48.

6.3 APPOINTMENT OF EXTERNAL AUDITORS

SUMMARY

The MRC's external auditors, Macri Partners, were appointed for a two year period in June 2013. This appointment covered the 2012/13 and 2013/14 financial years.

In considering the appointment of a new external auditor, the Audit Committee at its meeting of 24 November 2014, resolved to request the Administration to:

1. *Approach Macri Partners to assess their willingness to continue as external auditors for the MRC and if so, to request Macri Partners to present a proposal to the Audit Committee to undertake the audit for a further three year period;*
2. *Present the response to the request to the next meeting of the Audit Committee to allow them to consider a recommendation to the Council on the "Appointment of a new External Auditor" for a three year period commencing from the 2014/15 Financial Year.*

The Administration have approached Macri Partners, as requested, who in turn have indicated their willingness to continue as the MRC's external auditor. Macri Partners' proposal is included at **Attachment 3**.

This proposed fee is considered reasonable, given the increase in scope that has occurred with respect to the Local Government Fair Value requirements. Their fee is still cheaper than one of the 3 quotes received 2 years ago when Macri Partners were first appointed and is cost comparative with the other of the 3 quotes received.

Under the MRC's purchasing policy, normally 3 written quotes would be required for this type of procurement where there are multiple providers on the WALGA Preferred Supplier Panel, however given that:

- Their prices are cheaper or comparable with quotes received the last time the MRC went to market; and
- The outstanding level of service that Marci Partners have given the MRC it is considered reasonable to proceed with a single quote from Macri Partners, notwithstanding the MRC's policy.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee consider recommending to Council that Macri Partners be appointed as the MRC's external auditors for a period of 3 years, commencing 1 July 2014.

RESOLVED

Cr Proud moved, Ms Rogers seconded

That the Audit Committee recommend to Council that Macri Partners be appointed as the MRC's external auditors for a period of 3 years, commencing 1 July 2014.

(Carried: 4/0)

7 NEW BUSINESS

Nil

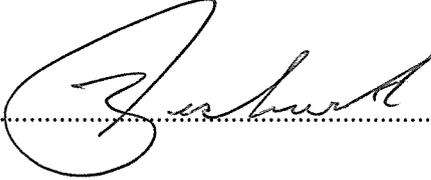
8 NEXT MEETING

The next Audit Committee meeting is scheduled to be held in November 2015.

9 CLOSURE

The Chairman closed the meeting at 7.55am.

These Minutes were confirmed by the Audit Committee as a true and accurate record of the Audit Committee Meeting held on 5 February 2015.

Signed  Chairman

Dated this 30 day of July 2015

ATTACHMENT 1
TO ITEM 6.1
AUDIT COMMITTEE MEETING
5 FEBRUARY 2015
COMPLIANCE AUDIT REPORT (amended)



Mindarie Regional Council - Compliance Audit Return Regional Local Government 2014

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government and Communities together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments						
No	Reference	Question	Response	Comments	Respondent	
1	s3.59(2)(a)(b)(c) Functions & General Regulation 7,9	Has the local government prepared a business plan for each major trading undertaking in 2014.	N/A		Gunther Hoppe	
2	s3.59(2)(a)(b)(c) Functions & General Regulation 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2014.	N/A		Gunther Hoppe	
3	s3.59(2)(a)(b)(c) Functions & General Regulation 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2014.	N/A		Gunther Hoppe	
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2014.	N/A		Gunther Hoppe	
5	s3.59(5)	Did the Council, during 2014, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	N/A		Gunther Hoppe	



Delegation of Power / Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	N/A	Council has not delegated any powers to its committees	Brian Callander
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	N/A	Council has not delegated any powers to its committees	Brian Callander
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	N/A	Council has not delegated any powers to its committees	Brian Callander
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	N/A	Council has not delegated any powers to its committees	Brian Callander
5	s5.18	Has Council reviewed delegations to its committees in the 2013/2014 financial year.	N/A	Council has not delegated any powers to its committees	Brian Callander
6	s5.42(1),5.43 Administration Regulation 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes		Gunther Hoppe
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes		Gunther Hoppe
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes		Gunther Hoppe
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes		Gunther Hoppe
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes		Gunther Hoppe
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes		Gunther Hoppe
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2013/2014 financial year.	Yes		Brian Callander
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	Yes		Brian Callander

Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	N/A		Gunther Hoppe



No	Reference	Question	Response	Comments	Respondent
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	N/A		Gunther Hoppe
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes		Brian Callander
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes		Brian Callander
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	Yes		Brian Callander
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2014.	Yes		Brian Callander
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2014.	Yes		Brian Callander
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes		Brian Callander
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes		Brian Callander
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes		Brian Callander
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes		Brian Callander
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes		Brian Callander
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	Yes		Brian Callander



No	Reference	Question	Response	Comments	Respondent
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes		Brian Callander
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes		Brian Callander
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes		Brian Callander

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was any property that was not disposed of by public auction or tender, given local public notice prior to disposal (except where excluded by Section 3.58(5)).	N/A		Gunther Hoppe
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Gunther Hoppe

Finance

No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes		Gunther Hoppe
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A		Gunther Hoppe
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	Yes		Gunther Hoppe
4	s7.3	Was the person(s) appointed by the local government to be its auditor, an approved auditor.	Yes		Gunther Hoppe
5	S7.3, s7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	Yes		Gunther Hoppe



No	Reference	Question	Response	Comments	Respondent
6	s7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	N/A		Gunther Hoppe
7	s7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A		Gunther Hoppe
8	s7.12A(3), (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A		Gunther Hoppe
9	A Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes		Gunther Hoppe
10	A Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes		Gunther Hoppe
11	A Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	Yes		Gunther Hoppe
12	A Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes		Gunther Hoppe
13	A Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes		Gunther Hoppe
14	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2014 received by the local government within 30 days of completion of the audit.	Yes		Gunther Hoppe
15	s7.9(1)	Was the Auditor's report for 2013/2014 received by the local government by 31 December 2014.	Yes		Gunther Hoppe



Local Government Employees					
No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position was advertised.	N/A		Sonia Cherico
2	s5.36(4), 5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s5.36(4), s5.37(3) and Admin Reg 18A.	N/A		Sonia Cherico
3	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A		Sonia Cherico
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A		Sonia Cherico
5	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	N/A		Sonia Cherico



Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A	CEO is the complaints officer	Brian Callander
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes	No complaints involving members had been received during the year.	Gunther Hoppe
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes		Brian Callander
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes		Brian Callander
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occurred.	Yes		Brian Callander
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) (c).	Yes		Brian Callander

Tenders for Providing Goods and Services					
No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	Yes		Gunther Hoppe
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	N/A		Gunther Hoppe
3	F&G Reg 14(1)	Did the local government invite tenders via Statewide public notice.	Yes		Gunther Hoppe
4	F&G Reg 14, 15 & 16	Did the local government's advertising and tender documentation comply with F&G Regs 14,15 & 16.	Yes		Gunther Hoppe



No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	Yes		Gunther Hoppe
6	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes		Gunther Hoppe
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes		Gunther Hoppe
8	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes		Gunther Hoppe
9	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	N/A		Gunther Hoppe
10	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A		Gunther Hoppe
11	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	N/A		Gunther Hoppe
12	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	N/A		Gunther Hoppe
13	F&G Reg 24E	Where the local government gave regional price preference in relation to a tender process, did the local government comply with requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A		Gunther Hoppe
14	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, \$100,000 or less.	Yes		Gunther Hoppe
15	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes		Gunther Hoppe



Government of **Western Australia**
Department of **Local Government and Communities**

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Mindarie Regional
Council

Signed CEO, Mindarie Regional Council

ATTACHMENT 2
TO ITEM 6.2
AUDIT COMMITTEE MEETING
5 FEBRUARY 2015
RISK REGISTER SUMMARY

Risk Ref.	Risk description	Causal factors	Consequence	Existing Controls	Consequence	Likelihood	Risk	Previous rating
OPS-02	Inability to contain leachate from groundwater within site boundaries.	Stage 1 unlined liner failure Environmental factors Water table rise Third party influence on ground water	Water plume Contaminated sites branch status Damaged reputation Urban extraction requirements	Lined landfill Remediation extraction Rediverting leachate BEMP CSM Leachate level testing	4	5	20	
OPS-01	Inability to contain landfill gas within site boundaries	Stage 1 unlined Insufficient capture Natural migration of gas Power station failure Damage to liners Infrastructure failure	Environmental impacts Financial penalties Loss of license Poor public perception	Power station Monitoring License conditions Third party design of landfill BEMP Liners and membranes Stakeholder relationships CSM	5	3	15	
STRAT 06	State Government implements changes to Regional Councils existence	Robson Report Proposed legislative change	State Government takes over service LG takes over service Commercial entities enter market WARR Act Review (discussion paper)	Lobbying with peak bodies Industry networking and consultation	5	3	15	5 (5/1)
COR-09	Failure to effectively manage existing MRC contracts	Lack of assigned internal contract owners Lack of contract management skills Lack of data input within system Differing expectations of performance Poor management of processes Unclear contracts and agreements Lack of communication	Contracts being mis-managed Inability to achieve best economic outcome Reduced efficiencies Loss of storage space Staff frustration	Key dates logged in IN Control System Assigned Contract Manager Tendering process WALGA preferred suppliers Point of contact	4	3	12	
COR-14	Failure of RRF	Major mechanical failure Force majeure	Additional tonnes to landfill Contract dispute	RRF Contract PAG meetings Insurance	3	4	12	10 (5/2)
OPS-06	Inability to contain odours from causing social impact	Type of waste received/accepted Inadequate cover Poor gas capture Extreme weather events Poor leachate management Tying in to existing landfill Urban encroachment	Complaints Non compliance with license Investigations Financial penalties Reputation damage	Daily cover Leachate management Alternate cover SOP Odorous load management Biological odour control	4	3	12	
OPS-21	Inability to keep recyclable materials out of landfill	Lack of recycling business Lack of education and awareness Lack of recycling options	Longevity of landfill Costs to landfill Reduces life cycle of landfill Poor public perception Increased global warming potential	Industry networking and consultation Grants for resource recovery Waste segregation Resell from shop Multiple locations Education program	3	4	12	
STRAT 14	Inability to maintain viable markets for recyclable/usable materials	Volatility of markets Market perception of quality of product in the RRF Compost Location and distance from market	Stockpile of products Financial loss Recyclable products to landfill	Short term Contracts offering fixed prices Maintaining market awareness	4	3	12	
STRAT-05	Federal/State Government changes to Environmental Law and or carbon pricing	Community pressure Government agenda	Increased operational costs Stakeholder frustration with increased costs Potential closure of landfill site	Stakeholder communication Industry network and consultation	4	3	12	
CEO-04	Fail to define and communicate vision, mission and strategies to guide and influence organisational culture	Lack of leadership and communication Lack of awareness of consequences	Poor culture Silo mentality Us and them culture Poor productivity Lack of direction Employee Dissatisfaction Staff turnover	Council policies and procedures Employee training Efficiency review	5	2	10	

Mindarie Regional Council
Summary Risk Register
30 June 2014 - Revised January 2015

Risk Ref.	Risk description	Causal factors	Consequence	Existing Controls	Consequence	Likelihood	Risk	Previous rating
OPS-17	Failure to deliver consistent and quality levels of customer service	Unreasonable customer expectations Staff response to customers Lack of training Cultural diversity Organisational cultural issues	Reputation damage Safety concerns and issues Aggressive behaviour and conflict	Training Customer Service Charter EAP Code of conduct Policies and procedures	2	5	10	
OPS-22	Major Fire or Explosions (methane gas leak)	Bush fire due to severe weather Major vehicle fire Criminal activity Methane Gas leak resulting in explosion or damage to gas bottle	Inability to deliver service Legal action Loss of revenue Personal injury Property damage Poor public perception	Business Continuity Plan Emergency Management Plan Emergency Exercises Fire Fighting Equipment Trained personnel - Wardens EMMP SOP's	5	2	10	
OPS-24	Chemical Spill	Chemical delivered to site in damaged containers Staff and customer inattentive Damage by plant Unidentified loads	Inability to deliver services Legal Action Personal injury Property Damage Temporary Closure of part or all of site Loss of Revenue Health and Safety Disgruntle customers	Business Continuity Plan SOP's Trained personnel - Wardens EMP	5	2	10	
Ops-30	Worksafe Shutdown	Fatality or reportable incident on site	Inability to deliver services Legal Action Temporary Closure of part or all of site Loss of revenue	OHS Officer on site Safety Inductions / Tool box's Qualified Employees Safety culture	5	2	10	
STRAT 10	Fail to provide safe and suitable work environment at MRC in compliance with OSH legislation	Lack of understanding Complacency Lack of awareness of change Lack of staff training Changes to legislation Inherent nature of Regional Council operations Public interaction with staff and recycled goods Nature of recycled goods Loading and unloading of vehicles Plant and equipment operating in area People behaviours Household chemicals Third party vehicle damage Wildlife	Staff harm Public harms Non compliance Emergency/evacuation	SOP's Training OSH Committee/Reps Wardens OSH Procedure and Management system Incident reporting Emergency exercises Safety Management systems Environmental monitoring (dust, odours, air) Inspections Staff selection Inductions Pre start medicals Waste acceptance criteria Traffic Management Plan Signage Informal alerts of dangerous materials Technical Officer Separation of operations	5	2	10	
STRAT-04	Failure of commercial partners to fulfil MRC expectations	Overcommitted Company liquidation RRF Breakdowns Poor quality of service	Increased stockpiles/quantities of product MRC not operating within licence conditions Increased costs of alternative arrangements Increased labour costs	Contracts and agreements Contract management Communication Relationship management	2	5	10	12 (4/3)
STRAT 13	Inability to attract and/or obtain external funding for long term infrastructure projects							10 (5/2)
Ops 23	Closure due to Total Fire Ban (TFB) and or Total Vehicle Movement Ban (TVMB)							15 (3/5)
Ops-09	Failure to provide a safe work environment at landfill							12 (4/3)
Ops 20	Failure to provide a safe work environment at resource recovery							10 (5/2)

ATTACHMENT 3
TO ITEM 6.3
AUDIT COMMITTEE MEETING
5 FEBRUARY 2015
MACRI PARTNERS' AUDIT PROPOSAL

(THIS ITEM IS CONFIDENTIAL, NOT FOR PUBLIC VIEWING.
SEPARATE COVER TO COMMITTEE MEMBERS)
