INFORMATION

BULLETIN

Issue No. 30
August 2016

MINDARIE REGIONAL COUNCIL

B. CALLANDER
CEO

CONTENTS PAGE

RESOURCE RECOVERY FACILITY UPDATE REPORT	
File No:	**WST/13-05**
Attachment/s:	**Nil**
Date:	**11 August 2016**
Prepared by:	**Director Corporate Services**

This report presents a summary of activities that have taken place in the reporting period covering 23 June 2016 to 11 August 2016.

ONGOING MATTERS

The Resource Recovery Facility (RRF) has now returned to full production and there are no ongoing matters which need to be addressed.

OPERATIONAL INFORMATION

Waste Delivery

Waste Delivery Summary for Reporting Period

MONTH	SCHEDULED TONNES	DELIVERED TONNES	DIFFERENCE TONNES
June 2016	9,200	7,713	(1,487)
July 2016	8,400	8,938	538

For the 7th Contract Year, for the period to 16 July 2016, the RRF was 23,234 tonnes behind schedule as a result of the planned shutdown for the replacement of the composters in late 2015.

With the exception of the shutdown for the composter replacement, the RRF is operating as anticipated in the Resource Recovery Facility Agreement (RRFA), with average availability of 76.8% over the past 12 months (contract year).

On a monthly basis, Additional Tonnes (those tonnes greater than the monthly scheduled tonnes) only incur the Variable Operating Cost charge, but not the Capital Cost or Fixed Operating Cost charges.

Unavailable Tonnes (those tonnes less than the monthly scheduled tonnes) are not paid for unless:

- Within the Contract Year there is a positive balance of Additional Tonnes, these Additional Tonnes can be off-set against the Unavailable Tonnes. In this case, the off-set Additional Tonnes incur the full gate fee cost less the Variable Operating Cost (which has already been paid on the Additional Tonnes); or

- If the RRF Availability for a month is less than 92% of the monthly Scheduled Tonnes and there are no accumulated Additional Tonnes remaining to be off-set, then the MRC is required to pay the Capital Cost on all Unavailable Tonnes up to 92% of the monthly Scheduled Tonnes.

At the end of the Contract Year, if 100,000 tonnes of waste have been delivered to the RRF then the above "overs and unders" system should balance out.

The exception to the above is the tonnes not processed during the composter replacement. The MRC entered into a standstill deed with BioVision which deals with the operations of the plant during this period. The tonnes scheduled for processing but not processed during the shutdown have been recorded as Accrued Tonnes. The MRC has already paid the capital cost component of the RRF Gate Fee in relation to these tonnes and so the Accrued Tonnes will be processed for the MRC at the end of the RRFA contract with the MRC only have to pay the fixed and variable components of the RRF Gate Fee.

Waste Diversion
Waste Diversion for the past six months (February 2016 to July 2016) has stabilised at 51.3% with a Waste Diversion Target of 51.3%.

Community Complaints

BioVision last met with its community stakeholder group on 30 November 2015 and no serious issues were raised.

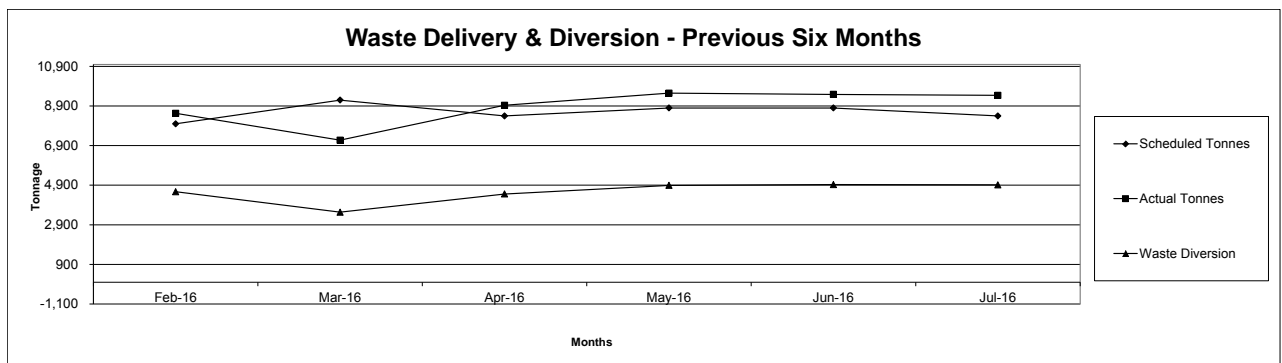**COMMUNITY COMPLAINTS SUMMARY FOR THE REPORTING PERIOD**

Date	Complaint	From	Outcome
Nil	No complaints have been received	Nil	Nil

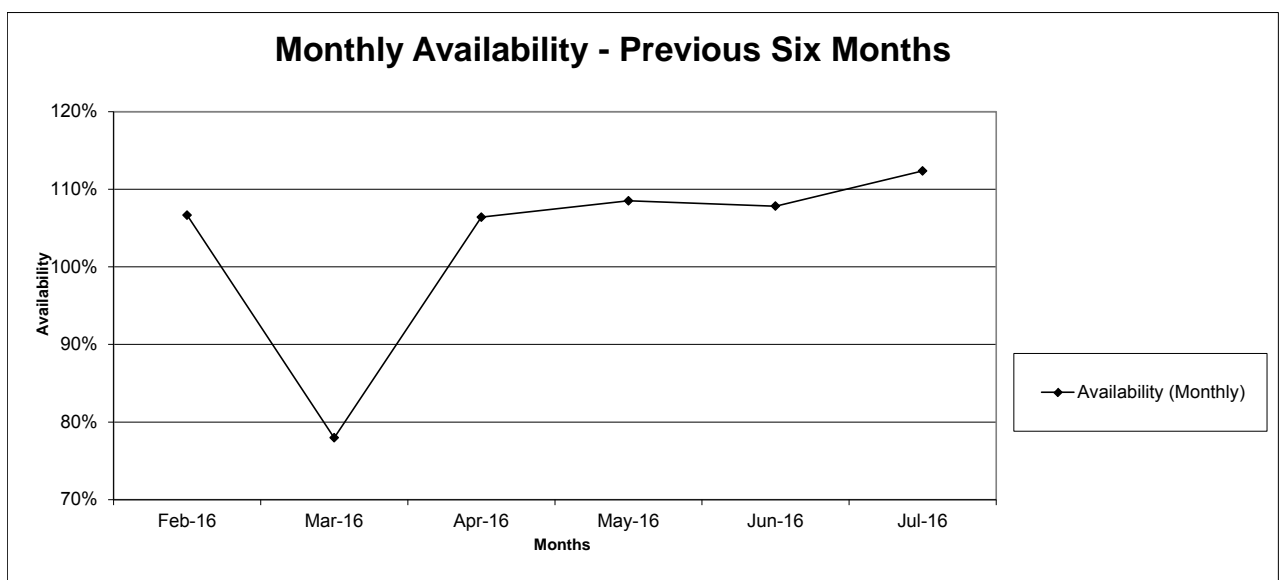The graphs below provide data up to *31 July 2016.*

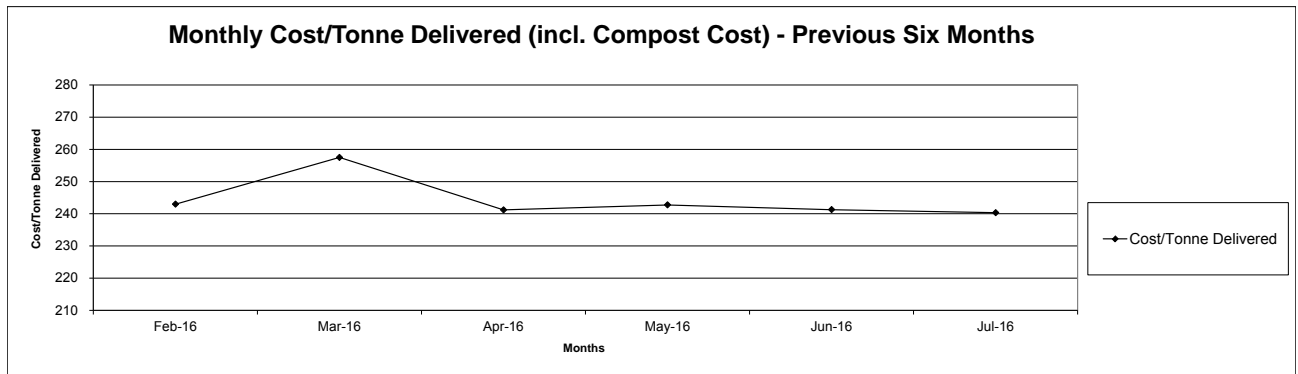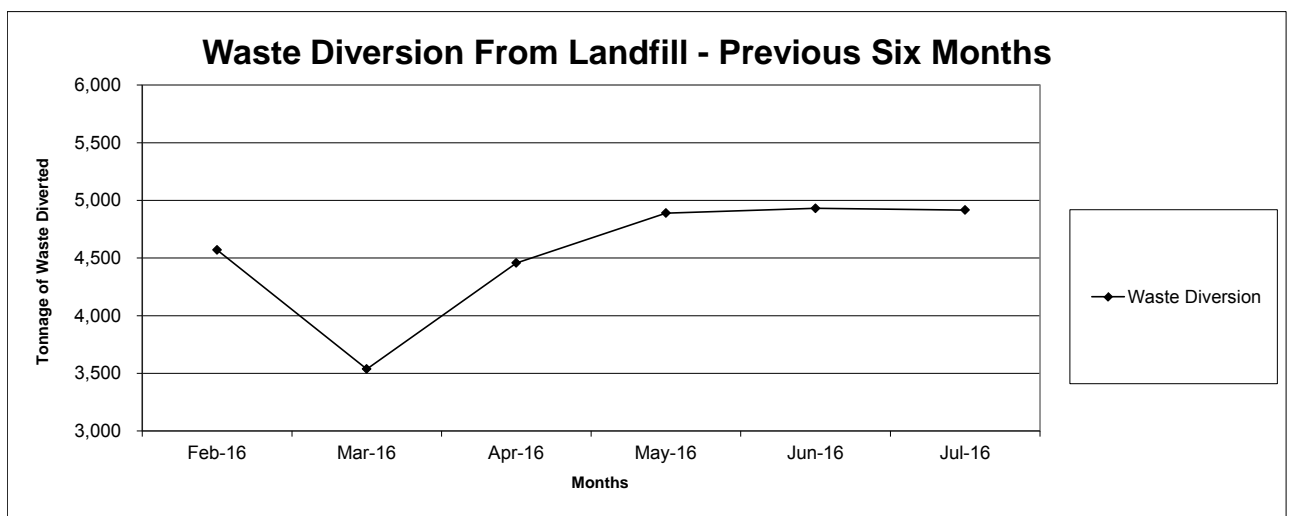**Graph No. 1 – Monthly Waste Delivery – Previous Six Months**
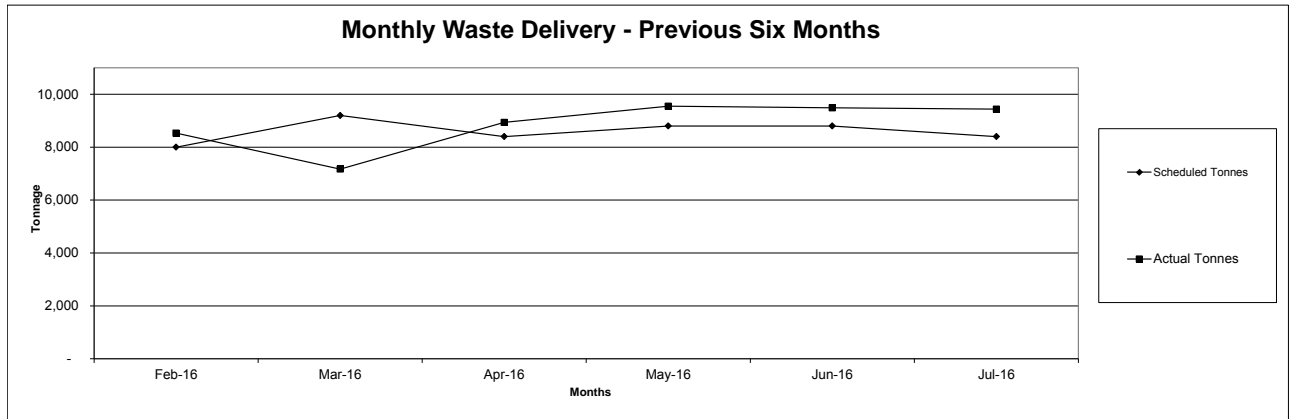
Graph No. 2 – Waste Delivery & Diversion – Previous Six Months

Graph No. 3 – Monthly Availability – Previous Six Months

Graph No. 4 – Monthly Cost/tonne Delivered (incl. Compost Cost) – Previous Six Months

Graph No. 5 – Waste Diversion from Landfill – Previous Six Months

Performance Indicators

KPI's as per the RRFA are as follows:

Table No. 1 – KPI Summary (to 31 July 2016)

KPI	Target	Previous 6 Months	June	July	
Availability*	95%	103%	108%	112%	
Environmental Standard - Number of Breaches	0	0	0	0	
Waste Diversion	51.3%	51.3%	52.o%	52.1%	
Quality of Compost - Number of Breaches**	0	1 (Jun)	1	0	
Quantity of Recyclable Packaging ***	0.80%	n/a	1.19%	0.72%	
Health and Safety - Number of LTI's	0	0	0	0	
Community Acceptance - Number of Complaints ****	0	0	0	0	
Project Culture - PAG Chairperson Score	100	100	100	100	

* The Target Availability during the Initial Operating Period is to achieve an Availability of greater than 95% over a six-month period.

** The compost standard within the RRFA was amended by the revisions to the RRFA approved by Council at its meeting of 6 December 2012 and signed under common seal in May 2013.

*** Financial impacts of the KPI were removed by the revisions to the RRFA approved by Council at its meeting of 6 December 2012 and signed under common seal in May 2013. Ferrous diversion has recommenced.

**** Numerous complaints relating to a single event are treated as a single complaint. Biofilter odour is not registered as a complaint as this is seen as a normal operating odour condition.

Waste Diversion

The average waste diversion for the past six months (February 2016 to July 2016) has been 51.3%.

Waste Diversion Previous 6 months
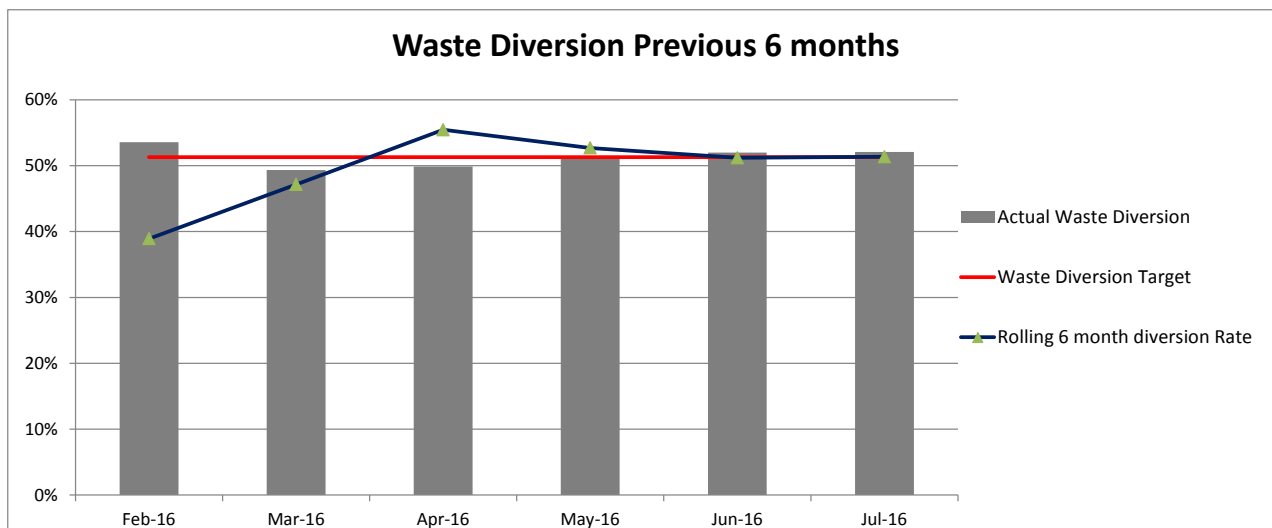
Project Advisory Group (PAG) as at 11 August 2016

MRC Representatives:
Cr Dot Newton JP
Brian Callander (CEO)
Gunther Hoppe
Cr Samantha Jenkinson (Deputy)

BioVision Representatives:
Craig Barker
Emmanuel Vivant
Nial Stock
Alan Turner (Alternate)

Chairperson:
Ian Watkins

The PAG last met on 10 August 2016.

Items dealt with by the group included:

- Contract Variations (including the maintenance cost discussions)
- Composter Structural Issues
- BioVision Monthly Report/Update
- Compost Marketing and Compost Quality
- Residue management
- Insurance

Copies of the meeting minutes are distributed to the Strategic Working Group members and all MRC Councillors following the meetings.

FINANCIAL IMPLICATIONS

Operational Expenditure
The Project Operational Summary below sets out the 2015/16 facility operating budget against which operational costs are tracked throughout the year. The variance over budget is as a result of the additional tonnes put through the facility during the year.

Project Operational Costs Summary for 2015/16 Financial Year – for the period ended 30 June 2016

Mindarie Regional Council
OPERATING STATEMENT
For the month ended 30 June 2016

Description	Adopted Budget	Revised Budget	YTD Actual	$ Variance	% Variance
Employee Costs					
Salaries	-	-	-	-	
Allowances	-	-	-	-	
Workers Compensation Premium	-	-	-	-	
	-	-	-	-	
Consultants and Contract Labour					
Consultancy	35,000	35,000	31,902	(3,099)	(8.85%)
Contract Labour External	-	-	-	-	
	35,000	35,000	31,902	(3,099)	(8.85%)
Office Expenses					
Cleaning of Buildings	18,000	11,000	8,409	(2,591)	(23.56%)
	18,000	11,000	8,409	(2,591)	(23.56%)
Information System Expenses					
Computer System Maintenance	28,000	20,000	13,013	(6,987)	(34.93%)
	28,000	20,000	13,013	(6,987)	(34.93%)
Building Maintenance					
Building Maintenance	21,500	30,999	-	(30,999)	(100.00%)
Building Security	7,000	7,000	1,118	(5,882)	(84.03%)
	28,500	37,999	1,118	(36,881)	(97.06%)
RRF Operation Expenses					
Fencing and Gate Maintenance	15,000	15,000	3,637	(11,363)	(75.75%)
Road Maintenance	-	-	-	-	
Bores and Pipework	10,500	10,500	6,393	(4,107)	(39.11%)
Vehicle Wash Facility Operations	-	-	-	-	
Landscaping and Gardens	29,000	20,000	8,675	(11,325)	(56.62%)
Compost Disposal	306,225	306,225	272,399	(33,826)	(11.05%)
Contractor's Fees	20,182,870	20,182,870	20,202,326	19,456	0.10%
	20,543,595	20,534,595	20,493,431	(41,164)	(0.20%)
Utilities					
Electricity	10,000	10,000	5,040	(4,960)	(49.60%)
Rates	34,000	34,000	82,184	48,184	141.72%
	44,000	44,000	87,224	43,224	98.24%
Insurance					
Municipal Property Insurance	3,100	3,100	-	(3,100)	(100.00%)
Public Liability Insurance	5,545	5,545	-	(5,545)	(100.00%)
	8,645	8,645	-	(8,645)	(100.00%)
Cost of Borrowings					
Interest on Loans	216,600	216,600	190,391	(26,209)	(12.10%)
Loan Expenses	8,000	8,000	9,800	1,800	22.50%
	224,600	224,600	200,191	(24,409)	(10.87%)
Amortisations					
Amortisation Pre-operating Costs	104,700	104,700	104,700	-	0.00%
Amortisation Costs	435,500	435,500	435,500	-	0.00%
	540,200	540,200	540,200	-	0.00%
Depreciation					
Depreciation on Building	-	23,603	23,668	65	0.28%
Depreciation on Infrastructure	4,100	26,697	26,965	268	1.00%
	4,100	50,300	50,633	333	0.66%
Total Operating Expenditure	21,474,640	21,506,339	21,426,121	(80,486)	(0.37%)
Net Total	(21,474,640)	(21,506,339)	(21,426,121)	80,486	(0.37%)

COMMUNICATIONS AND EDUCATION REPORT	
File No:	WST/178-02
Attachment(s):	Nil
Date:	**17 August 2016**
Responsible Officer:	**Education Manager**

Communication and Education Report – May/June 2016

The Mindarie Regional Council's (MRC) Education Team's main focus is on Winning Back Waste through community engagement within the region. The main objectives are to:

- improve community awareness and understanding of waste issues
- encourage a reduce, reuse, recycle and dispose wisely ethos and behaviours associated with this
- encourage engagement on many levels to have waste dealt with as high on the waste hierarchy as is practicable and to divert waste from landfill.

This is largely done through the provision of:

- advocacy for change at various levels,
- the Earth Carer community outreach program ,
- facility tours,
- visits to schools and community groups to deliver workshops and talks,
- displays within the community (including shopping centres, libraries, fairs and events), and
- special projects/programs to facilitate greater community participation in recycling and waste disposal initiatives.

The Team works closely with:

- the Member Councils through the region's Waste Education Strategic Steering Group (WESSG) to support the councils by assisting them in delivering their waste messages and in providing programs to enable improved recycling and waste disposal outcomes to the community.
- the State Waste Educator Groups (WMAA-WA WEWG and WENG) which include representatives from the other Regional Councils, Local Governments, WALGA, Waste Wise Schools, KABWA, Waste Authority and a variety of other members (government/community/business) interested in waste issues.

The MRC Education Team has an advocacy role in the development, promotion and delivery of waste messages and materials to the broader community, in addition to providing advice and support for various waste projects with the view to improve waste minimisation and diversion from landfill.

The MRC recognises that waste has a value as a resource and is committed to managing waste in line with the waste hierarchy and diverting waste from landfill.

This report will look to summarise the education activity for the months of May and June 2016.

Community Engagement

Tours

The tours of the MRC facilities (Tamala Park and Resource Recovery Facility) are run on request Monday to Saturday and are popular with people of all age groups and from all walks of life. The duration of each tour ranges from one to three hours depending on the requirement of the group attending.

During the May/June period **35 tours** took place with **995 people** all visiting Tamala Park and with only one group visiting the Resource Recovery Facility (RRF).

The feedback given about these tours continues to report a high level of participant satisfaction with them being described as very informative. The tours don't just point out operational aspects of the sites but discuss the 'story of waste', engaging people in how the Waste Hierarchy works and discuss behaviours that create the best outcomes. People are continually amazed at how a 'trip to the tip' can be such an eye opener and be very enjoyable.

TOURS BY COUNCIL	
	Number
Cambridge	4
Joondalup	4
Perth	0
Stirling	8
Victoria Park	0
Vincent	0
Wanneroo	5
Other/mixed	14
TOTAL	**35**

Total no of people on tour = 995

TOURS BY GROUP	
	Number
Schools	19
Business	6
Community	10
Out of School	0
Tertiary	0
TOTAL	**35**

Schools that visited the facilities during this period included: Subiaco PS, Woodlands PS, Karrinyup PS, Belridge Education Support, Wembley PS, Balcatta PS and Mercy College.

Tours by Council
May - June 2016

Wanneroo 5

Stirling 8

Joondalup 4

Other/mixed 14

Cambridge 4
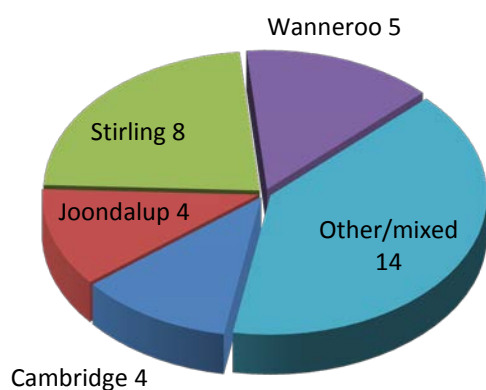
Note: No Perth or Vincent tours

High number in Other Category - Tours included 6 tours at TP open day (259 people on tour),
2 MRC staff inductions, 2 community tour from Mandurah, 2 school tours - Subiaco, 1 Chinese delegation - COJ sister city, 1 tender site visit

259 people took the opportunity to tour the Tamala Park site during the Tamala Park Open Day.

TOURS BY LOCATION	
	Number
Tamala Park	29
RRF	1
TP & RRF	4
TP & Balcatta	0
TP, RRF & Gas & Landfill	1
TOTAL	**35**

Mobile waste messaging

The education vehicle, a Kia Carnival people mover/van, has had graphics applied to make it a driving message board. "Winning Back Waste", "Reduce, Reuse, Recycle and Dispose Wisely", "What bin should it go in? Dispose wisely." Bright eye catching frogs and earth worms bring a fun element to it as well. It has already proved to be a popular conversation starter as it attends schools and events.

The Roaming Recycler Waste Education Display

The late Autumn/Winter period tends to be a quieter period with only a few community events being held throughout the Region.

ROAMING RECYCLER EVENTS	
	No Days Out
Cambridge	0
Joondalup	0
Perth	0
Stirling	2
Victoria Park	0
Vincent	1
Wanneroo	4
Other	0
TOTAL	**7**

Community Events attended included:

- Garden Festival (ToVP)
- Laneway Festival (ToVP)
- Bunnings Clarkson (CoW)
- Joondana Community Garden (CoS)
- Enviro Expo, Woodlands PS (CoS)

The Tamala Park Open Day proved to be as popular as in previous years with an estimated 2,000 people attending throughout the day. Unlike previous Open Days people arrived early and stayed the day

A special thankyou to the City of Wanneroo who again supplied a couple of waste trucks and staff for visitors to get up close to these trucks that they see visit their homes every week. Everyone loves a rubbish truck.

Visits, Talks and Workshops

Talks and visits to schools and community groups remains a focus of the MRC education team. The topics of these talks and visits vary according to the group but the sessions mainly focus on three main areas:

- Organics – composting and worm farming
- The bin system – what goes in what bin
- Waste Hierarchy – reduce, reuse, recycle and dispose wisely.

The duration of the sessions range from an hour through to a full day and, in the case of schools, may be for single classes or for the whole school.

During the May/June period 22 visits/talks were conducted with 15 of them being to schools and childcare centres

Visits to Child Care centres have increased in the last year with the Centres looking to enhance the environmental and sustainability education programs they do with the children.

VISITS/TALKS	
	Number
Cambridge	0
Joondalup	11
Perth	1
Stirling	7
Victoria Park	0
Vincent	0
Wanneroo	2
Other	1
TOTAL	**22**

TYPES OF TALKS	
	Number
Waste & recycling	9
Composting, worms & gardens	8
Nude Your Food	2
Battery assembly	0
Other	3
TOTAL	**22**

Schools

With the 2016 school year beginning all schools in the region where sent a flyer to inform them of the services the MRC offers to them. In consultation with MRC's education team schools can then use the services MRC provides to enhance their curriculum. Tours, talks, workshops and activities can be tailored to meet the individual requirements of the school.

The MRC Education Team are developing a closer working relationship with Waste Wise Schools to develop a broader and more consistent waste education program into schools throughout the region.

A workshop for teacher was held to discuss MRC's education program and to connect Earth Carers with schools to assist the schools with their education programs.

Visits To Schools and Day Care Centres by Council (May - June 2016)

Wanneroo, 1

Stirling, 4

Joondalup, 9

Perth, 1
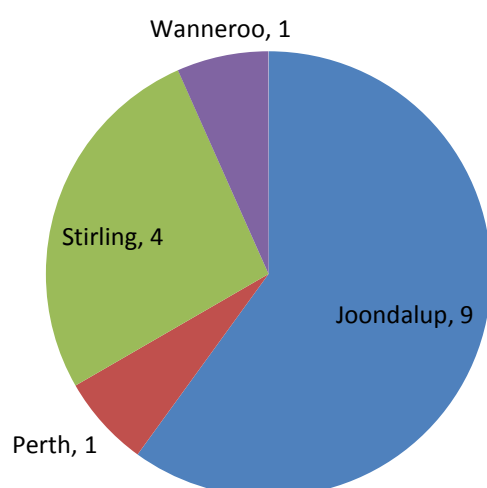
Earth Carers

MRC Earth Carers continue to meet and engage with the community. A number of Earth carers link in with Community Garden groups, Transition Towns and other groups of like minded people. These provide very fertile grounds for information exchange and promoting waste wise messages.

The Earth Carers are seen as long term valued people interested in waste and spreading a 'Waste Less' message. Since 2008 over 400 people have completed the MRC Earth Carer training courses and of them 345 are still active, a good retention rate.

The City of Stirling held their Sustainability Awards in June. It was pleasing to note that over half of the awards went to people who are either Earth Carers or are a part of the MRC network. It is another example of the good work that Earth Carers do in their own local communities. Well done Earth Carers.

The next Earth Carers training course will be held in August 2016 with 25 people already having expressed an interest in attending.

Staying Connected

'Earth Carers North' Facebook page continues to grow, now with 488 likes, with a weekly reach of between 300 and 2,000 people and over 70 regular contributors/engaged. This has proved a great way to enable the Earth Carers to stay connected and discuss issues of interest.

Compost in May

Six events were held throughout the region to promote the value and importance of compost and composting. Supported by the Waste Authority 160 people attended these events many of them new to home composting and worm farming.

FREE
Workshop
Learn about
Home
Composting
and Worm
Farming

THE GREEN SWING
84 Rutland Ave, Lathlain
Sunday 29th May 9.30-11.30am

Contact Peg Davies for more information or to register:
pdavies@mrc.wa.gov.au or mobile 0422 941 492

Plastic Free July

As a community awareness project to encourage people to engage with behaviours higher in the Waste Hierarchy, in this case Avoid/Reduce, the Plastic Free July is a campaign that has gained considerable traction over the years. It can be as simple or as taxing as one wants to be but it is always a challenge.

In the lead up to July the MRC had a Plastic Free display visit many of the regions libraries to promote the event.

Reduce, Reuse, Recycle and Dispose Wisely

There are many items that the MRC and the Member Councls no longer want residents to put in any of the verge collection bins (green, yellow or red). A number of programs have been set up in the Region to help dispose of these items effectively.

Battery Program

Batteries from school and community bins continued to be collected in large numbers. Importantly most of these batteries previously would have gone into the household green top wheelie-bin then to the RRF and the chemicals contained within ultimately into the compost. However large quantities of batteries are bought and disposed of and although the MRC is collecting and recycling tonnes of batteries it is only the tip of the iceberg.

Batteries Collected from Community Collection Bins by Council
January - June 2016
(Total No = 3810 kg)

Joondalup, 1425
Perth, 367
Vic Park, 158.5
Vincent, 375
Wanneroo, 500
Cambridge, 972.5

Cambridge
Joondalup
Perth
Vic Park
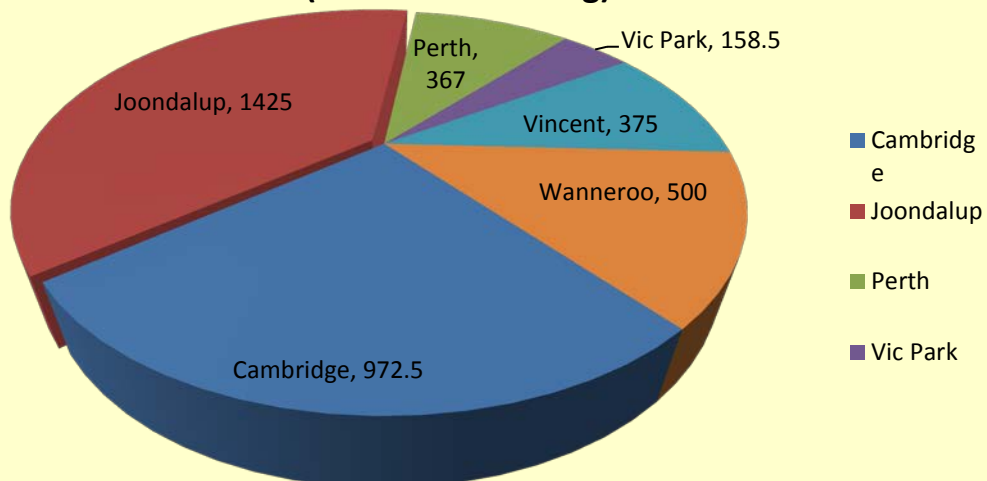
The schools battery program continues to grow. The schools find it is a good way to engage students in a meaningful recycling program. From an MRC point of view it offers collection sites throughout the community and unlike the public battery collection bins the school ones are generally free of contamination.

MRC School Battery Collection
by Term 2012 - 2016 (kg)

Legend: ■ Term 1   ■ Term 2

Data values by year:
- 2012: 622, 281.5, 602.5, 392
- 2013: 652, 547.5, 572.5, 584
- 2014: 638, 612, 577, 689.5
- 2015: 587, 611, 888.5, 667.5
- 2016: 924.5, 1007
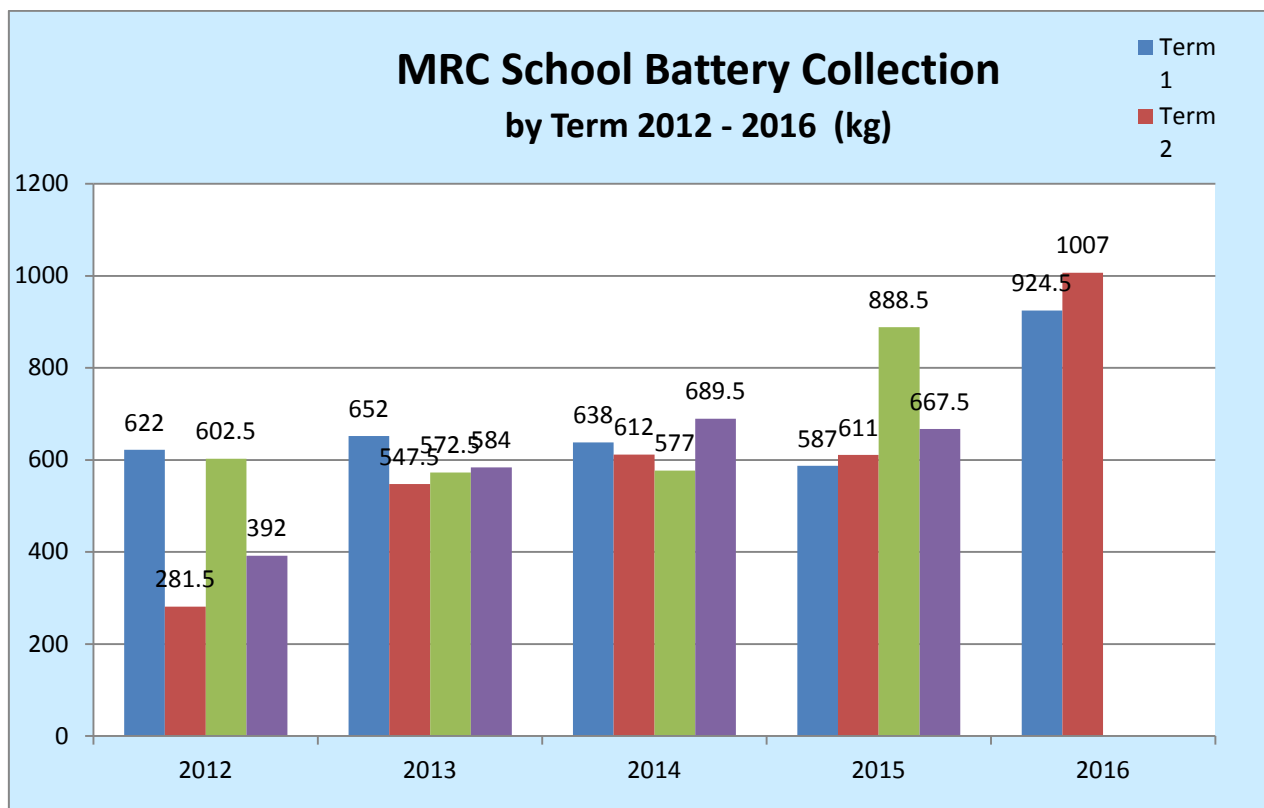
All of the battery bins have had a flap placed over the bin top hole to try to discourage people from dropping rubbish into the bins, contaminating the battery contained within.

MRC Community & School Battery Collection
by Month 2011 to 2016 (kg)
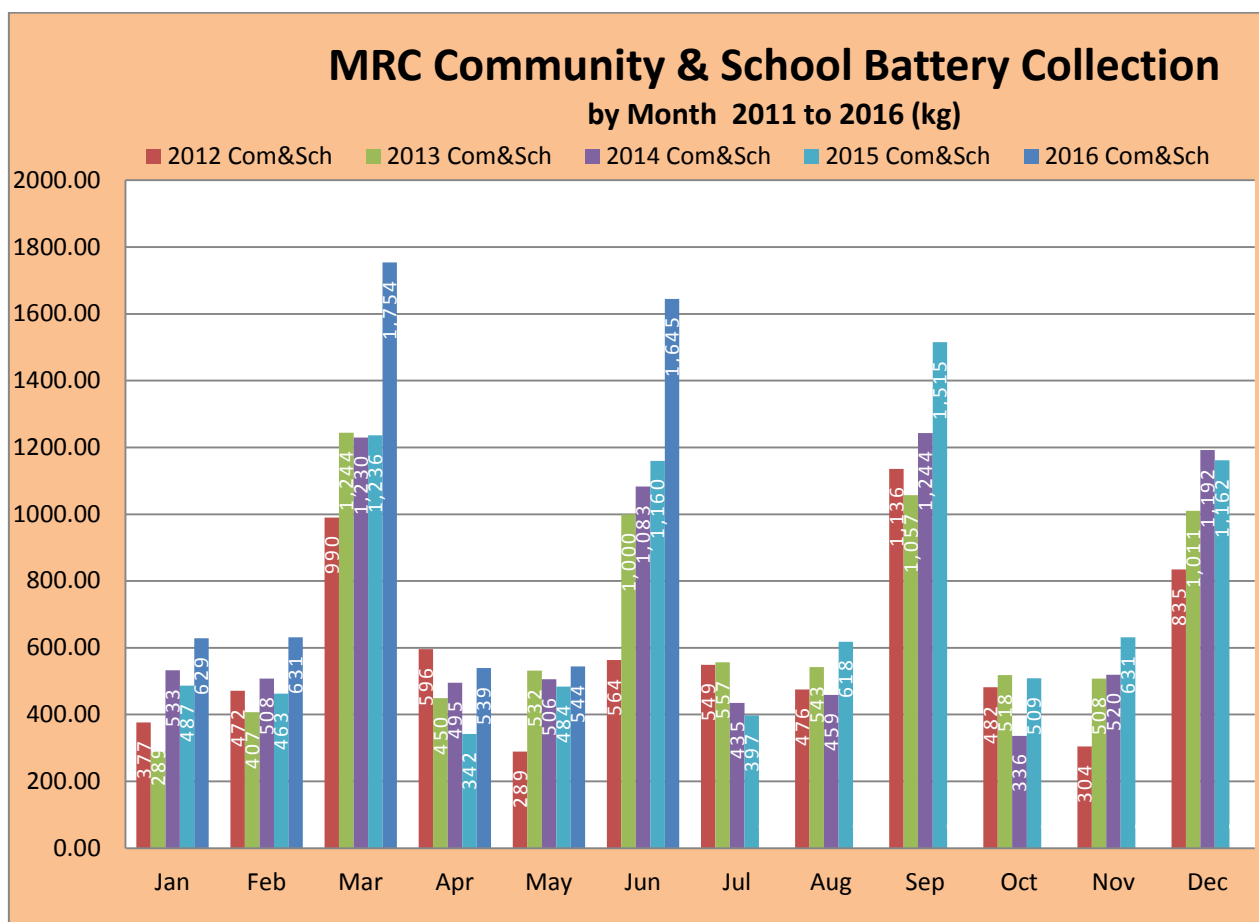
The battery program is particularly inportant to MRC operations in that batteries have shown themselves to be the cause of many of the landfill fires at Tamala Park and they are still a significant problem at the RRF – providing a source of metals contamination.

.**Recycling Stations**

The community has responded well to local community drop off points for batteries and cfl globes resulting in the trial to expand the number and types of problematic wastes collected. The MRC in response to this need for a multi-purpose recycling station have upgraded the CFL recycling stations (below) to enable them to now accept not only CFL's but batteries, ink cartridges, mobile phones and in some cases all other non-cfl globe types.

The MRC is working with the member councils to find suitable locations for these recycling stations.

E-Waste

The MRC has an e-waste contract that covers all of its member councils enabling free recycling of computers, TVs and other peripheral items that can be plugged into these devices. In addition to providing a permanent drop off site at Tamala Park this contract has enabled member councils to review the way they handle e-waste, for example, the City of Joondalup has banned e-waste from its verge collections through holding regular e-waste collection days throughout the year.

The next e-waste collection events will take place in the City of Joondalup and the Town of Cambridge in September.

Glass

The **'No Glass' Campaign,** to create behavioural change by residents to reduce the glass component in the compost, was rolled out into the participating councils, these being Cities of Joondalup, Vincent and Wanneroo and the Town of Victoria Park. These being chosen as they currently deliver the majority of waste received by the RRF.

The project uses a sticker placed on all the green lid bins and a flyer to explain why glass in the green lid bin is an issue. The sticker campaign was supported by advertising in newspapers and online via council websites and social media networks. Removing the glass from the green top bin having many potential benefits.

No Glass displays and banners have been taken to all events held within the participating councils to promote the campaign and engage in discussion with the community. Surveys were also conducted to gauge resident awareness of the campaign and behaviour change as a result. Most of the feedback has been very positive.

A prominent display has toured the different libraries in the Cities of Joondalup, Vincent and Wanneroo and the Town of Victoria Park, to further promote the campaign.

With resident in the Cities of Joondalup, Vincent, Wanneroo and Town of Victoria Park being told not to place glass in their green top bin there has been an increase in inquiries as where to dispose of the glass especially in the case of where their yellow top recycling bins are already full of other recyclables.

This has also seen an increase in glass bottles and jars being dropped at Tamala Park Recycling over 8 tonnes a month since December when the campaign started.

Globes collected in the same period have doubled compared to the same period last year.

World Environment Day feature in the Western Australian

Winning Back Waste

The Mindarie Regional Council (MRC) has a vision of 'Winning Back Waste', recognising that waste does have a value as a resource. Its value is in keeping waste out of landfill and have it beneficially used somewhere else, a good result for the environment.

Operating the Tamala Park waste facility the MRC actively recovers material disposed of at the site. Metals, timber, green-waste, mattresses and electronic-waste are some of the items recovered for recycling. Landfill gas produced through the decomposition of waste at the landfill is captured and used to generate electricity. Household goods like furniture, bikes, toys and building supplies are sold at the Tip shop, a reuse centre, giving items a second lease on life.

Every year the Resource Recovery Facility in Neerabup processes over 100,000 tonnes of general household waste collected from the Cities of Joondalup, Vincent and Wanneroo and the Town of Victoria Park. Here the organic part (food scraps, lawn clippings, garden pruning's, paper etc.) is removed from the other waste and is turned into a composted soil conditioner, compost that can be used to improve W.A.'s soils.

Unfortunately, glass deposited into the green-top general waste bins not only can't be used to make compost it finds its way through the process and contaminates the compost produced, limiting its use.

To reduce this glass contamination and to improve recycling outcomes, the Mindarie Regional Council (MRC) and its member councils, supported by the Waste Authority, is running a 'No Glass' campaign to encourage residents to make use of their yellow-top recycling bins to dispose of bottles and jars. A simple thing like placing glass into the recycling bin instead of the general waste bin can help so much.

Diverting waste from landfill, improved recycling and the composting of organic waste are good for the environment.

For more information see www.mrc.wa.gov.au

WESSG

The Waste Education Strategic Steering Group (WESSG) meets at the end of each month. These meetings continue to be an important forum for exchanging ideas and keeping everyone updated on happenings associated with waste within the Member Councils. The Group has been invaluable in providing networking opportunity for its participants. People aren't confined to council boundaries so being aware of what is happening elsewhere in important in delivering messages to the community.

The importance of **Regional messaging** remains on the agenda as does the groups role in dealing with regional waste issues. Many events and activities within the Region occur regularly with a Regional calendar being developed to help streamline communications, messaging and coordination between both the MRC and the Member Councils and the Member Councils themselves. This to share the load and get best value for the Region, including looking at ways to improve waste diversion figures for the Region.

Event planning, Compost in May, Plastic Free July, Garage Sale Trail, e-waste and HHW events, public place recycling initiatives and clothes drop off days have all been discussed at the meetings.

The Group is also developing a **Calendar of Events** for 2016/2017. This calendar will have the key projects/activities that each council is planning for this coming year to enable there be greater opportunities to learn/share and assist each other in our educational/community engagement work.

Waste Educators

The MRC education team participates in the State Waste Educators Working Groups (WEWG/WENG) which include representatives from the other Regional Councils, Local Governments, WALGA, Waste Wise Schools, KABWA, Waste Authority and a variety of other members (government/community/business) interested in waste issues.

This group meets monthly to share ideas, programs and resources. It is WMAA-WA most active working groups.

Every year the group has promoted into their communities events like Compost in May, Garage Sale Trail, Plastic Free July and Recycling Week. The group has a site at the Perth Royal Show to promote 'waste less' messages and is involved in projects like e-waste recycling, HHW and battery/fluoro recycling programs.

The group for 2016 is looking at developing resources and a campaign to target nappies and their correct disposal, many of which are disposed of incorrectly in the recycling bin. The campaign will also focus on reducing the number of disposable nappies which totals millions each year in Australia.

The truth about nappies

Place disposable nappies in your GENERAL waste bin... disposable nappies will contaminate your recycling efforts and precious recyclable materials will be compromised.

Nappies can be a big environmental problem, particularly when placed in the wrong rubbish bin.

The nappy. It is a fundamental item in every household with babies and total nappy numbers are quite staggering. Before being toilet trained, your baby will wear approximately 6000 nappies. This equates to around 5.6 million nappies being used per day in Australia.

More than 95 per cent of Aussie parents use disposable nappies, either all of the time or in conjunction with reusable cloth nappies and it is the disposable nappies that cause such a problem.

If you choose to use single-use disposable nappies it is important that you dispose of them properly. Place disposable nappies in your GENERAL waste bin. If they are put in the recycling bin, the disposable nappies will contaminate your recycling efforts and precious recyclable materials will be compromised.

You can make a difference by making small changes:
- Place ALL used disposable nappies in the general waste bin.
- NEVER place nappies in the recycling bin.
- If possible, flush solid waste down the toilet before disposing of nappies in the general waste bin.
- Change to reusable cloth nappies for some (if not all) of the time. You will be surprised with how easy the modern designs are to use and at the same time save you money and have a positive environmental impact.

Place disposable nappies in your general waste bin

1 disposable nappy takes around **500 years to break down in landfill.**

One baby alone can use up to **6,000 nappies!**

Use reusable nappies to take the pressure off our planet.

general waste bin

For information on what goes in which bin, please visit recycleright.wa.gov.au or download the Recycle Right app

recycle right

EMRC

Rivers

DOCUMENTS EXECUTED BY AFFIXING THE COMMON SEAL	
File No:	**GOV/38**
Appendix(s):	**Nil**
Date:	**18 August 2016**
Responsible Officer:	**Chief Executive Officer**

During the period 25 June 2016 to 18 August 2016, three (3) documents were executed by affixing the Common Seal. A summary is provided below:

Date	Document	Signed/Sealed
29/07/2016	Contract - Provision of recycling and pick up / drop off of mattresses – Recycle WA	Sealed and signed by Chair and CEO
29/07/2016	Contract - Provision of recycling and pick up / drop off of mattresses – Softlanding	Sealed and signed by Chair and CEO
29/07/2016	Contract - Land Use and Feasibility Study for the Post Closure of the Tamala Park Waste Management Facility – Planning Group	Sealed and signed by Chair and CEO

If further information is required on the documents signed under common seal please contact the Chief Executive Officer, Brian Callander on 9306 6302.

MINUTES

AUDIT COMMITTEE MEETING

4 August 2016

TIME: 7.30AM

CITY OF STIRLING

Winning Back Waste
Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park

TABLE OF CONTENTS

1   DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair opened the meeting at 7.30am.

2   ATTENDANCE / APOLOGIES

MEMBERS

Cr Russ Fishwick (Chairman)   City of Joondalup
Cr David Boothman   City of Stirling

IN ATTENDANCE

Mr Brian Callander   CEO MRC
Mr Gunther Hoppe   Director Corporate Services MRC
Ms Andrea Slater-Cartwright   Finance Manager MRC

APOLOGIES

Cr Stephanie Proud (Deputy Chairman)   City of Stirling
Ms Gayle Rogers   External member

3   TERMS OF REFERENCE

At an Ordinary Council Meeting held on 7 July 2005 the Audit Committee was established by Council under s7.1A of the Local Government Act 1995 and at an Ordinary Council Meeting held on 27 October 2005 Council adopted the Terms of Reference for the operation of the Audit Committee. These terms of reference were subsequently revised by Council at an Ordinary Council Meeting held on 24 April 2014.

At an Ordinary Council Meeting held on 27 October 2005 under s7.1B of the Local Government Act 1995, Council approved the Audit Committee, under s.7.12A(2) of the Act, to meet with Council's auditor.

The primary objective of the Audit Committee is to accept responsibility for the annual external audit and liaise with the Council's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

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.

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

4	DECLARATION OF INTERESTS

Nil

5	CONFIRMATION OF MINUTES OF PREVIOUS MEETING – 11 FEBRUARY 2016

RESOLVED

Cr Boothman moved, Cr Fishwick seconded

That the Minutes of the Audit Committee Meeting held on 11 February 2016 be taken as read, confirmed and the Chairman invited to sign same as a true record of the proceedings.

(Carried: 2/0)

6	REPORTS

ITEM 6.1   EXTERNAL AUDIT PLAN

SUMMARY
The Mindarie Regional Council's (MRC) external auditors, Macri Partners, have prepared an audit plan in respect of the 2015/16 year end audit for review by the Audit Committee.

The audit plan has been prepared by Marci Partners taking into account their prior experience of the MRC's operations, as well as discussions with the MRC's officers, and their experience with other regional councils and local governments.

The focus areas identified in the plan are considered appropriate in relation to the MRC's operations.

Under the Audit Committee's terms of reference, the Committee is required to:

> *"6(j) Review the scope of the audit plan and program and its effectiveness."*

The 2015/16 Audit Plan is at **Attachment 1.**

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note its review of the scope and effectiveness of the 2015/16 Audit Plan.

> **RESOLVED**
> **Cr Boothman moved, Cr Fishwick seconded**
>
> **That the Audit Committee note its review of the scope and effectiveness of the 2015/16 Audit Plan.**
> *(Carried: 2/0)*

ITEM 6.2   RISK REGISTER SUMMARY

SUMMARY

The MRC's Risk Register summary was first 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. The summarised risk register was last presented to the Audit Committee at its meeting of 11 February 2016.

Under the Audit Committee's terms of reference, the Committee is required to:

> *"6(w) Perform a biannual review of the material risks identified in the Council's Risk Register."*

A summarised risk register which outlines those risks rated as 'High' or 'Extreme' is included as **Attachment 2** to this agenda.

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

Management conducted a full risk register review in July 2016 and there have no changes to the risk reported in February 2016.

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the Risk Register Summary presented.

RESOLVED
Cr Boothman moved, Cr Fishwick seconded

That the Audit Committee note the Risk Register Summary presented.
(Carried: 2/0)

ITEM 6.3   CEO REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND LEGISLATIVE COMPLIANCE

SUMMARY

Under the Local Government (Audit) Regulations 1996 – Regulation 17, the Chief Executive Officer (CEO) is required to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control, and legislative compliance at least every two years and is to report his findings to the audit committee.

The CEO has conducted his review and is presenting his findings to the audit committee for consideration.

Under the Audit Committee's terms of reference, the Committee is required to:

"6(t) Consider the CEO's biennial reviews of the appropriateness and effectiveness of the Council's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the Committee, and report to the Council the results of those reviews."

The CEO's Review of Risk Management, Internal Control and Legislative Compliance is at **Attachment 3.**

RESPONSIBLE OFFICER RECOMMENDATION

That the Audit Committee note the CEO's Review of Risk Management, Internal Control and Legislative Compliance.

RESOLVED
Cr Boothman moved, Cr Fishwick seconded

That the Audit Committee note the CEO's Review of Risk Management, Internal Control and Legislative Compliance.
 (Carried: 2/0)

7   NEW BUSINESS

Nil

8   NEXT MEETING

The next Audit Committee meeting is scheduled for November 2016.

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

Signed ....   Chairman

Dated this .... day of   2016

ATTACHMENT 1

TO ITEM 6.1

AUDIT COMMITTEE MEETING

4 AUGUST 2016

EXTERNAL AUDIT PLAN

Mindarie Regional Council

External Audit Plan
For the Year Ending 30 June 2016

10 February 2016

Table of Contents

1. Purpose of the Audit

The purpose of this audit plan is to summarise our external audit approach in relation to the statutory audit of the Mindarie Regional Council for the financial year ending 30 June 2016.

Our Audit Plan has been prepared to inform the officers and the Audit Committee of Mindarie Regional Council about our responsibilities as your external auditors and how we plan to discharge them.

The plan focuses on:

- Documenting our audit approach, including:
  - audit process;
  - materiality;
  - approach to auditing key financial statement risk issues; and
  - completion;
- Presenting our audit engagement team;
- Highlighting relevant independence and governance matters;
- Providing a preliminary assessment of timing;

Our audit approach is focused on assessing and responding to the risk of misstatement in the financial statements.

We are committed to audit quality and the requirements of independence based on Macri Partners' and the accounting profession's strict rules and policies. We have made our initial assessment of potential threats to independence and have adopted appropriately robust safeguards to address those risks and protect independence.

2. Scope of the Audit

We will conduct an independent audit of the financial statements in order to express an opinion on it to the members of the Mindarie Regional Council.

Our audit will be conducted in accordance with Australian Auditing Standards with the objective of reducing the level of material misstatement in the financial statements to an acceptably low level. These standards have been fully updated and revised to improve their clarity and in some cases this is accompanied by additional audit requirements. We are required to comply with them for the audit of your 2015/16 accounts.

We plan and perform our audit to be able to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. We use professional judgement to assess what is material. This includes consideration of the amount and nature of transactions.

3. Financial Reporting Responsibilities

Management	External Audit	Audit Committee
• Prepare financial statements and notes in accordance with Australian Accounting Standards, Local Government Act 1995 (as amended) and Regulations under the Act • Design, implement and maintain effective internal control over financial reporting processes • Risk management • Exercise sound judgement in selecting and applying critical accounting policies • Safeguard assets • Prevent, detect and correct errors • Prevent and detect fraud • Provide representations to external auditors • Assess quantitative and qualitative impact of misstatements discovered during the audit on fair presentation of the financial statements • Confirm the effective operations of financial reporting controls and disclosures in the annual financial statements	• Conduct audit in accordance with professional standards and applicable financial reporting framework (i.e. Auditing Standards and Australian Accounting Standards) • Express an opinion on whether the financial statements present a true and fair view in accordance with Australian Accounting Standards, Local Government Act 1995 (as amended) and Regulations under the Act • Plan and perform the audit to obtain reasonable assurance (not absolute assurance) as to whether the accounts are free of material misstatements, whether caused by error or fraud • Maintain audit independence	• Create a culture of honesty and ethical behaviour; set the proper tone and emphasise fraud prevention • Oversee management, including ensuring that management establishes and maintains internal control to provide reasonable assurance regarding integrity and reliability of financial reporting • Oversee management activities which ensure appropriate risk management and controls are in place for monitoring risk and compliance with policies, procedures and laws • Review the Council's performance • Liaise with the external auditors to facilitate external audit • Review annual financial statements and recommend approval to the Council

4. Audit Approach

Our objective is to provide an independent auditor's opinion on the financial report of the Mindarie Regional Council for the year ending 30 June 2016. Our audit methodology is split into two stages and is applied uniquely to your circumstances. It involves the following activities.

STAGE 1

Planning (Interim Audit Phase)
- Perform risk assessment procedures & identify risks
- Determine audit strategy
- Determine planned audit approach
- Understand and evaluate the overall control environment

- External audit plan

Control evaluation (Interim Audit Phase)
- Understand accounting and reporting activities
- Evaluate and test selected controls over key financial systems
- Review the internal audit function
- Review progress on critical accounting matters

- Financial reporting controls
- Interim Audit Management letter

STAGE 2

Substantive testing (Final Audit Phase)
- Plan and perform substantive procedures
- Conclude on critical accounting matters
- Identify audit adjustments
- Consider if audit evidence is sufficient and appropriate

- Summary of audit differences

Completion (Final Audit Phase)
- Perform completion procedures & overall evaluation
- Obtain management representations
- Report matters of governance interest
- Form our audit opinion

- Audit opinion
- Management letter (if applicable)

Our audit approach is also based on understanding and evaluating your internal control environment and where appropriate validating these controls, if we wish to place reliance on them. This work is supplemented with substantive audit procedures, which include detailed testing of transactions and balances and suitable analytical procedures.

Our audit procedures will focus on those areas of the Mindarie Regional Council's activities that are considered to represent the key audit risks identified in our planning memorandum and through discussions with management and the Audit Committee during the course of our audit.

(a)   Interim Audit Coverage

Our examination of internal controls during interim audit for the year ending 30 June 2016 will be carried out for audit purposes designed primarily for the purpose of expressing an opinion on the financial statements of the Mindarie Regional Council.

During our interim audit visit, we will focus on updating our understanding of the Council's internal controls. This includes reviewing the control environment, risk assessment processes and relevant aspects of information systems controls. Following on from this, we will use the results of this assessment to determine how much we can rely on the information produced from the Council's systems during our final audit visit.

The interim audit is not intended to cover all aspects of the Council's internal controls and accounting systems and is limited to those matters that arise from our normal audit procedures. To this end, we have designed audit programs to carry out our interim audit and we summarise below the areas which we normally cover:

- Bank Reconciliations

- Investment of Surplus Funds

- Purchase of Goods and Services and Payments

- Creditors

- Receipting

- Sundry Debtors

- Payroll

- Fixed Assets (Property, Plant and Equipment and Infrastructure)

- General Accounting (Journals, General Ledger, etc.)

- IT Controls

- Registers (Tender, etc.)

- Minutes Review

- Other financial matters/issues requested by the management/audit committee

- Discuss progress on audit findings and recommendations reported by the Auditor in the previous:

  o   interim audit management letter

  o   final Audit Completion Report to the Audit Committee to check what action has been taken and audit implications.

Any significant issues arising during the course of the audit will be discussed and management report will be issued.

(b) Final Audit Coverage

During our final audit visit, we will focus on auditing the balances, disclosures and other information included in the Council's financial statements.

- Current Assets

    - Bank and investments

    - Receivables and prepayments

    - Inventories

    - Other assets

- Non-Current Assets

    - Property, plant and equipment

    - Infrastructure and depreciation

    - Resource recovery facility

    - Excavation work

    - Rehabilitation assets

- Liabilities (Current and non-current)

    - Creditors and accruals

    - Loan borrowings including new loans raised

    - Provision for employee entitlements

    - Rehabilitation provision

- Equity

- Analytical Review of Budget vs Actual (Statement of Comprehensive Income)

- Statement of Cash Flows

- Statement of Changes in Equity

- Accounting Policies and Notes to the Financial Statements

- Reserve Funds

- Contingent Liabilities

- Capital Commitments

- Financial Ratios

- Any other statutory obligations

5. Significant Risks Identified

"Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty".

In this section, we outline the significant risks of material misstatement which we have identified.

Focus Area	Financial Statement Impact	Planned Audit Approach
Plant and Equipment	Valuation and accuracy of Plant and Equipment.	➢ Review the basis of any asset valuations (at fair value) undertaken and in doing so consider: • the judgements, assumptions and data used; • the reasonableness of any estimation techniques applied; and • the expertise and appropriateness of valuations undertaken by your external valuer. ➢ Substantiate the adjustments after valuation in the general ledger and asset register ➢ Review of the reconciliation between asset register and general ledger ➢ Sample testing of acquisitions, disposals and write-offs ➢ Review of depreciation/amortisation charge for reasonableness
Rehabilitation Provisions	Completeness, Accuracy and Valuation of Rehabilitation Provisions	➢ Review of the estimates and assumptions in the model developed by management for estimating total future rehabilitation expenditures over the landfill discounted to net present value

6. Other Risks

Focus Area	Financial Statement Impact	Planned Audit Approach
Revenue	Completeness and accuracy of Fees and charges, Grant income and Other revenue	➢ Control testing on fees and charges and selected other revenue ➢ Test a sample of revenue transactions to supporting documentation ➢ Substantive analytical procedures

Focus Area	Financial Statement Impact	Planned Audit Approach
Expenses	Completeness of operating expenses	➤ Review of expenditure incurring and approval processes ➤ Test a sample of expenditure transactions to supporting documentation ➤ Analytical review of operating expenditure
Payroll	Completeness of payroll expenses	➤ Review and assess controls over the payroll process ➤ Analytical review of employee expenditure
Cash and Cash Equivalents, Investments	Existence, completeness and accuracy of cash and investment balances held with financial institutions	➤ Obtain external confirmations from the relevant financial institutions
Trade and Other Receivables	Existence, completeness and accuracy of receivables	➤ Obtain external confirmations for material balances ➤ Assess adequacy of provision for bad and doubtful debts
Trade and Other Payables	Existence, Completeness and accuracy of Sundry Creditors and Accrued Expenses	➤ Perform search for unrecorded liabilities ➤ Review of trade payables and accrued expenses ➤ Vouching significant balances
Borrowings	Existence, completeness and accuracy of borrowings with the Western Australian Treasury Corporation (WATC)	➤ Obtain external confirmations from the WATC
Provisions for Annual and Long Service Leave	Completeness, Accuracy and Valuation of Annual and Long Service Leave provisions	➤ Review calculation of annual leave and long service leave provisions

7. Impact of Fraud on the Financial Report

In accordance with Auditing Standard ASA 240 "The Auditor's responsibility to consider fraud in an Audit of a Financial Report", we will undertake specific procedures and report findings to the Council in respect of <u>financial reporting fraud</u>. The following diagram highlights the phases of our work on fraud.

The Council and senior management have responsibility for maintaining internal controls that prevent or detect fraud or error, and assuring regulatory compliance. The Council should be informed by management of any actual or suspected fraud or material errors. We are not responsible for preventing or detecting fraud. However, we are required to consider the risk of material misstatement due to fraud when performing our risk assessments.

Discuss fraud

- Meetings with management
- Understand systems and controls
- Known frauds

Assess fraud risk

Preliminary fraud risk assessment
- Pressure to meet financial targets
- Employee pressures
- Management oversight
- Internal control framework
- Nature of industry
- Structure
- Attitudes / culture

Tailor audit response

- Increased risk increases the level of procedures;
- Review and test the fraud risk assessment process and systems and controls to prevent, detect and deter fraudulent activity;
- Identify and select specific journal entries for detailed substantiation and review year-end journals for appropriate evidence and basis; and
- Review significant accounting estimates for management bias.

8. Highlights – 2015/16 Financial Year

Regulatory Environment

Local Government (Financial Management) Regulations 1996 – regulation 17A requires revaluation to occur:

In	For
2015/16	➢ Plant and Equipment

9. Materiality

Materiality drives the scope of our audit and is determined in accordance with the auditing standard requirements. We plan and perform our audit to provide reasonable assurance that the financial statements are free from material misstatement and give a true and fair view. We use professional judgement to assess what is material. This includes consideration of the amount and nature of transactions.

Type of Materiality	What is it used for?	Amount for 2015 Year
Overall materiality	Our overall materiality for the Council is calculated as a percentage of gross operating expenditure; this represents the level at which we would consider qualifying our audit opinion and is consistent with the prior year.	**$1,050,000** Approximately 2% of Total Budgeted Expenditure (2016 year) $53m
Performance materiality	We determine performance materiality (from overall materiality) in order to assess risks of material misstatement and to determine the nature, timing and extent of audit procedures. This is the level to which we plan our audit work and identify significant accounts.	**$787,500** which has been set at 75% of Overall Materiality
Trivial error threshold	Auditing Standard ASA 450 *Evaluation of Misstatements Identified during the Audit* requires that we record all misstatements identified except those which are "clearly trivial". Matters which are clearly trivial are those which we expect not to have a material effect on the financial statements even if accumulated. When there is any uncertainty about whether one or more items are clearly trivial, the matter is considered not to be clearly trivial. We determine a trivial error threshold (from materiality) in order to accumulate misstatements identified during the audit. We will not report misstatements below the threshold level unless we believe that the nature of the misstatement should be of concern. We will include a summary of any uncorrected misstatements identified during our audit in our year-end Audit Completion Report to the Audit Committee.	**$52,500** which has been set at 5% of Overall Materiality

We will reassess materiality based on year-end results or new information to confirm whether it remains appropriate for evaluating the effects of uncorrected misstatements on the financial statements.

10. Audit Engagement Team

The audit team consists of the key members listed below:

Engagement Role	Name	Responsibilities
Audit Partner	Anthony Macri	Engagement leader responsible for the audit, including: • liaison with the Chief Executive Officer and audit committee members • agreeing the audit plan • signing of external audit opinion and other relevant reports
Audit Manager	Mit Gudka	Responsible for: • key contact for operational audit matters • ensuring delivery to timetable • management of targeted work • overall review of audit outputs

11. Communications Plan and Timetable

Auditing Standard **ASA 260 'Communication of audit matters with those charged with governance'** requires auditors to plan with those charged with governance the form and timing of communications with them. We have assumed that 'those charged with governance' are the Audit Committee.

Output	Timing
Interim Audit Field Work	2 March 2016 – 4 March 2016 (Confirmed with Management)
Provide Interim Management Letter	On completion of interim audit and management responses received
Final Audit Field Work	September 2016 – November 2016 (Management to confirm)
Present the Audit Findings Report to the Audit Committee	September 2016 – November 2016 (Management to confirm)
Provide Audit Opinion on Financial Statements	September 2016 – November 2016 (Management to confirm)

12. Independence

Independence and Objectivity Confirmation

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the Audit Engagement Partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case, this is the Audit Committee.

Confirmation Statement

We confirm that in our professional judgement, Macri Partners is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Engagement Partner and audit staff is not impaired.

13. Disclaimer

This audit plan has been prepared for the Audit Committee and management of the Mindarie Regional Council only. It should not be quoted or referred to, in whole or in part, without our prior written consent. No warranty is given to, and no liability will be accepted from, any party other than the Mindarie Regional Council.

ATTACHMENT 2

TO ITEM 6.2

AUDIT COMMITTEE MEETING

4 AUGUST 2016

RISK REGISTER SUMMARY

Mindarie Regional Council
Summary Risk Register
Updated 28 July 2016

Risk Ref.	Risk description	Causal factors	Consequence	Existing Controls	Consequence	Likelihood	Risk	Previous rating
OPS-02	Inability to contain leachate from groundwater within landfill 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 DER Contaminated Site Branch	3	5	15	Unchanged
OPS-01	Inability to contain landfill gas within Landfill 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 BEPM Liners and membranes Stakeholder relationships CSM Contract arrangements with LP&G Engaged GHD consultancy services	5	3	15	Unchanged
OPS-06	Inability to contain odours within site boundaries	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	Gas collection Daily cover Leachate management Alternate cover SOP Odorous load management Biological odour control	2	5	10	Unchanged
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 Education program Recover Recycled material from landfill Recover Recycled material from transfer Manage Hazardous Waste Green waste contract Mattress recycling contract Timber off site	3	5	15	Unchanged
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 Monitoring of Environmental Law	4	3	12	Unchanged

Mindarie Regional Council
Summary Risk Register
Updated 28 July 2016

Risk Ref.	Risk description	Causal factors	Consequence	Existing Controls	Consequence	Likelihood	Risk	Previous rating
OPS-02	Inability to contain leachate from groundwater within landfill 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 DER Contaminated Site Branch	3	5	15	Unchanged
OPS-01	Inability to contain landfill gas within Landfill 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 BEPM Liners and membranes Stakeholder relationships CSM Contract arrangements with LP&G Engaged GHD consultancy services	5	3	15	Unchanged
OPS-06	Inability to contain odours within site boundaries	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	Gas collection Daily cover Leachate management Alternate cover SOP Odorous load management Biological odour control	2	5	10	Unchanged
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 Education program Recover Recycled material from landfill Recover Recycled material from transfer Manage Hazardous Waste Green waste contract Mattress recycling contract Timber off site	3	5	15	Unchanged
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 Monitoring of Environmental Law	4	3	12	Unchanged

Mindarie Regional Council
Summary Risk Register
Updated 28 July 2016

Risk Ref.	Risk description	Causal factors	Consequence	Existing Controls	Consequence	Likelihood	Risk	Previous rating
OPS-22	Major Fire or Explosions	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 Emergency Equipment Review	5	2	10	Unchanged
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 Poor public perception	Business Continuity Plan SOP's Trained personnel - Wardens EMP DER license Emergency Equipment Dangerous goods license requirements and compliance EMMP	5	2	10	Unchanged
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 Staff Wellness Disgruntle customer Poor public perception Health & Safety	Qualified OHS Officer on site Safety Inductions / Tool box's Qualified Employees Safety culture Reportable incident procedure EMP EMMP SOP's Include OHS procedures in purchasing procedures	5	2	10	Unchanged

Mindarie Regional Council
Summary Risk Register
Updated 28 July 2016

Risk Ref.	Risk description	Causal factors	Consequence	Existing Controls	Consequence	Likelihood	Risk	Previous rating	
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 employment medicals Waste acceptance criteria Traffic Management Plan Signage Informal alerts of dangerous materials Technical Officer Separation of operations Inspect and review Plant and Equipment Revised driver inductions	5	2	10		Unchanged
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		Unchanged
OPS-033	Inability to contain landfill gas within leased site boundaries	Stage 1 unlined Insufficient capture Natural migration of gas Power station failure Infrastructure failure Liner failure	Environmental impacts Financial penalties Loss of license Poor public perception	Power station Monitoring DER License conditions Third party design of landfill BEPM Liners and membranes Stakeholder relationships CSM Contract arrangement with LG&P Engaged GHD consultancy services	5	3	15		Unchanged
OPS-034	Inability to contain leachate from groundwater within leased 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 DER Contaminated sites branch	4	5	20		Unchanged

ATTACHMENT 3

TO ITEM 6.3

AUDIT COMMITTEE MEETING

4 AUGUST 2016

CEO REVIEW OF RISK MANAGEMENT, INTERNAL CONTROL AND COMPLIANCE

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

RiskManagement

A risk management system is a key expression of the Mindarie Regional Council's (MRC) attitude to effective controls. The MRC has has a number of mechanisms for monitoring risk management. The review has considered these mechanisms and assessed whether the MRC has:

Criteria	Business Unit	Monitoring Tool
An effective risk management system and that the MRC's material operating risks are appropriately considered	Governance Management	The MRC Risk Management Framework D/14/2349 consists of: • Risk Assessment and Acceptance Criteria • Risk Operating Model • Risk Management Procedures • Risk Register D/15/2408 The MRC's operational risks are described in the Risk Register and reviewed and monitored by relevant Business Unit Managers at least biannual.
A current and effective business continuity plan (including IT disaster recovery) which is tested from time to time	Governance Management	The MRC's business continuity is managed through: • Business Continuity Plan (BCP) D/15/837 • Emergency Management Procedure (EMP) D/13/822 The BCP undergoes a desktop review biannual (next due May 2016). The MRC's Crisis Management Team and Emergency Management Team are involved in the reviews where a variety of emergency situations are tested. The review aims is to test the BCP action plans, including its information, timeframes and strategies and potential gaps are identified (last completed in December 2015). The MRC's EMP is reviewed annually by the OH&S Officer in consultation with the Management Team prior to approval of changes. The EMP conducts Emergency drills quarterly on a variety of likely emergencies related to the MRC site. IT disaster recovery is described in the BCP for all systems including those for the Tamala Park and Neerabup Weighbridges. The centralised server is housed at the MRC's administration where daily backups are performed, stored securely offsite at information storage provider Iron Mountain allowing for the restoration of key systems in the event of a disaster. The type of data stored, systems and media used is detailed in the BCP Data Security and backup strategy.

1

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

Description	Responsibility	Detail
Internal processes for determining and managing material operating risks in accordance with the MRC's identified tolerance for risk, particularly in respect of: • potential non-compliance with legislation, regulations and standards and local government's policies • important accounting judgments or estimates that prove to be wrong • litigation and claims • misconduct, fraud and theft • significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government	Governance Management	The MRC's operational risks are assessed against the MRC's risk appetite biannual the Risk Register has been configured to generate projects for risks with a level High or Extreme. Compliance is monitored during reviews and risks assessed. An annual external audit confirms accounting treatments are compliant as part of finalising the annual financial statement. The budget cost estimates are subject to biannual reviews, Business Unit Managers are required to review budgets and facilitate amendments where required. The MRC's financial systems are supported by documented procedures which are regularly updated where required. The MRC reports any reportable irregularities to LGIS in a timely manner. Annual interim audit assesses adequacy of internal controls across a number of financial activities including bank reconciliations, investment of surplus funds, purchases, payments, general accounting, IT controls, property, plant and equipment infrastructure. The MRC has a risk monitoring database (InControl/InTuition) to record events, incidents, near misses, competencies and compliances. The MRC OH&S and Standard Operating Procedures support all operational activities. The MRC employee a full time OH&S Officer who is supported by a OH&S committee and representative which meet regularly.
Robust risk reporting framework which identifies, mitigates and manages new risks, while monitoring and reporting on existing risks	Governance Management	The MRC employees and management complete a comprehensive annual review the MRC's Risk Management Framework and full Risk Register, outcomes are reported annual to the Audit Committee. A biannual review of all High Risks are done through individual project management by responsible officers, outcomes are reported to the Audit Committee biannually.
Adequate processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance	Corporate Services	The MRC undertakes annual renewal meetings with LGIS to assess adequacy of policies held and amount of cover provided, in consideration of Local Government sector experiences. The MRC gathers insurance risk related details from Business Unit Managers prior to the renewal meeting and completes a formalised declaration process.
Effective reviews of internal control system involving management and internal and external auditors	Corporate Services	Aspects of the MRC's internal control system are regularly reported to Council and the Councils Audit Committee, during the 2015 calendar year, the MRC submitted the following relevant reports: • D/15/4383 Audit Completion Report 14/15 • D/15/4652 MRC Financial Report Year Finance Year Ending 30 June 2015 • D/15/3037 External Audit Plan Finance Year Ending 30 June 2015 • D/15/530 Compliance Audit Return Regional Local Government 2015 • D/15/2601 High Risk Review July 2015 • D/15/3279 Item 9.3 Review of Council Policies and Delegations to the CEO
Controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk	Corporate Services	The MRC's Electronic Accounting System (Navision) is used to monitor electronic workflows for payroll and procurement, with hierarchy based approval. Outside of norm transactions require CEO or Director Corporate Services approval as appropriate in line with policy and delegation.

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

A procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied	Corporate Services	The MRC's external audit scope includes procurement and accounts payable in its annual review. The MRC purchasing policy CP06 is reviewed annually and approved by Council. The MRC uses an electronic purchasing system (Navision) for purchasing with hierarchy based approval and uses an eQuotes procurement portal supported by WALGA for approved suppliers.
The capacity, should the need arise, to meet periodically with key management, internal and external auditors, and compliance employees, to understand and discuss any changes in the MRC's control environment	Corporate Services	The outcomes and recommendations of the annual MRC's Financial Management System and Procedures are discussed with the Corporate Services Team before being implemented. Update reports provided to each Audit Committee Meeting describing discrepancies. Finance policies and procedures are reviewed annually by Corporate Services for relevance and legal compliance, procedures approved by the management team and policies approved by Council. The outcomes of the annual Compliance Audit Returns are discussed with the Executive Management Team before reports are presented to the Audit Committee Meeting describing discrepancies.
Assess whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management.	Corporate Services	The MRC's external audit scope includes fraud and misconduct in its annual review, processes are analysed and evaluated for fraud and misconduct. The Audit Committee is provided with a report which includes described discrepancies and treatment plans if identified. The CEO has appointed a designated Public Disclosure Officer to assist him with providing protection from detrimental action or threat of detrimental action for any employee of the MRC who make an appropriate disclosure and preparing, communicating internal procedures. The Public Interest Disclosure Procedure HRM25 provides important information to the public on how the MRC will manage, investigate, take action and report on disclosures received. The CEO reports all allegations of serious crime and corruption to the Corruption and Crime Commission for appropriate treatment, compliance and ongoing management.

3

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

Internal Control

Internal control is a key component of the MRC's governance framework, in addition to leadership, long-term planning, compliance, resource allocation, accountability and transparency. The review has considered the MRC's approach to internal control and assessed whether the MRC has:

Criteria	Business Unit	Monitoring Tool
Integrity and ethics	Governance Management	The MRC has developed Code of Conducts for Employees, Councillors and Committee Members. Scheduling training for Employees is conducted biannual for honesty, integrity and compliance with lawful order. Councillors and Committee Members receive the MRC's Codes of Conduct as part of the induction package to the Council.
Policies and delegated authority	Governance Management	The MRC Council Policies and Register of Delegations are reviewed annually for relevance and legal compliance, a report seeking endorsement of the review is present to Council. The 2015 report was present at the 20 August 2015 meeting (D/15/3142).
Levels of responsibilities and authorities	Governance Management & Corporate Services	The MRC uses its hierarchy / organisational chart as the mechanism for defining levels of responsibility and authority. The same hierarchy has been applied across the organisation to define, for example appropriate authorities for purchasing limits, segregation of duties, report sign-offs, access to documents in the information records system (TRIM) and Human Resources practices.
Audit practices	Corporate Services	The MRC's audit practices are overseen by: • the Audit Committee (Terms of Reference – D/15/4158) • Documented scope of internal / external review • External Audit Tender procedures and checklist
Control of computer applications and information system standards	Corporate Services	The MRC uses a variety of mechanisms to control security including coded personal entry keys and passwords to site and buildings, MS Windows Active directory and application level security controls for all electronic computer systems. These mechanisms limit the capacity for records or systems to be edited by employees without required security access.
Management operating style and human resource management and practices	Governance Management	The MRC's management style is decentralised with regards to Human Resources. Managers are supported and guided through recruitment, performance management and ongoing employee's management. Human Resources manage internal control through an effective series of procedures to manage employees.

4

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government. Aspects of the MRC's control framework include:

Item	Department	Description
Trained and qualified employees	Governance Management	The MRC's Human recruitment procedure HRM13 guides management to select candidates with the skills, qualities, abilities, experience and competencies deemed as being necessary to the job. All employees are employed against periodically reviewed job descriptions and are managed against an annual performance appraisal process. Human Resources manage the MRC's ongoing training of employees for compliance, development and succession. The Human Resources Systems (InTuition) integrates with Occupational Health and Safety to record all competencies and compliances.
System controls	Corporate Services	The MRC's information systems control mechanisms linked to both employees profiles within the electronic software systems and files themselves via the MS Windows Active directory.
Procurement	Corporate Services	The MRC uses an electronic purchasing system (Navision) for purchasing with hierarchy based approval and uses the eQuotes procurement portal supported by WALGA for approved suppliers. Procurement is undertaken in line with the annual budget and operational needs, periodic reports are run to ensure purchases are within budget and for data accuracy. Employees received biannual training of the purchasing policy CP06 for guidance and consistency.
Payroll	Corporate Services	The MRC's external audit scope includes payroll in its annual review, departmental managers approve individual timecards for the employees in their charge to validate the existence of the employees and the number of hours worked. The Payroll Officer then conducts a series of tests at the conclusion of the pay period to check for completeness and reasonableness of the data before the Entry Validation Report (all employees and amounts paid) is reviewed in detail by the Financial Accountant for the accuracy of the payroll processed.
Regular internal audits	Governance Management & Corporate Services	The MRC's audit practices are overseen by: • the Audit Committee (Terms of Reference – D/15/4158) • Documented scope of internal / external review • External Audit Tender procedures and checklist
Documentation of risk identification and assessment	Governance Management	The MRC is committed to a culture of risk management and has implemented an approach to consider risk at three levels: strategic, operational and project. The Risk Management Framework has three lines of defence for the reporting and management of risk. The '1st line' is Business Units, they are responsible for ensuring that risks are identified, assessed, managed, monitored and reported. The Office of the CEO is the '2nd Line'. It owns and manages the Risk Management Framework. The Office provides the necessary tools and training to support the 1st line process. The 3rd line of defence is the internal review of the Framework being presented to the Audit Committee which assesses the review and reports to the Council on its findings bi-annually. This model ensures roles; responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the Council, Management and Key Stakeholders will have assurance that risks are managed effectively to support the delivery of strategies and objectives.

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

Regular liaison with auditor and legal advisors.	Governance Management	The MRC engages periodically with its auditors informally, as well as through the formal audit process for advice and compliance updates. Legal advisors are liaised with on a need basis to ensure all contractual and legislative compliance is met in the best interest of the MRC.
Control of approval of documents, letters and financial records	Corporate Services	The MRC uses information records system TRIM as the central recording and storing of all correspondence and documents. The control of documents procedure HRM16 ensures that controls are in place for those documents related to the business of the MRC, specifically Policies and Procedures. These documents are reviewed, approved, updated annually, protected, retained and made easily available thereby preventing the use of obsolete documents.
Comparison of internal data with other or external sources of information	Corporate Services	The MRC utilises segregation of duties, weekly and monthly cash flow checks, bank and general ledger reconciliations for comparisons and routine checklists to identify and act on any anomalies in financial processes.
Limit of direct physical access to assets and records	Corporate Services	The MRC maintains a locked (compactus) records storage system for all hard copies of documents; personnel records are stored in a locked cupboard in the securely locked HR office. Inactive and archival records (those with historical value) are stored securely offsite at information storage provider Iron Mountain. Access to records is limited by hierarchy based approval.
Control of computer applications and information system standards;	Corporate Services	The MRC uses a variety of mechanisms to control security including coded personal entry keys and passwords to site and buildings, MS Windows Active directory and application level security controls for all electronic computer systems. These mechanisms limit the capacity for records or systems to be edited by employees without required security access.
- Regular maintenance and review of financial control accounts and trial balances; - Comparison and analysis of financial results with budgeted amounts; - Arithmetical accuracy and content of records; - report, review and approval of financial payments and reconciliations; and - Comparison of the result of physical cash and inventory counts with accounting records	Corporate Services	The MRC utilised a number of mechanisms to ensure financial processes are efficient, effective and secure and these include: - Daily / monthly checklists of tasks and periodic reporting - Monthly finance and budget reviews undertaken with Managers - Monthly variance and payment listing reporting to Council - Monthly financial position reporting to Council - Segregation of duties and limiting employees and user access - Daily balancing of financial system and ledgers.

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

LegislativeCompliance		
The compliance programs of a local government are a strong indication of attitude towards meeting legislative requirements. The MRC's practices in regard to monitoring compliance programs typically include:		

Criteria	Business Units	Monitoring Tool

Monitoring compliance with legislation and regulations	All Business Units	The MRC utilises a variety of mechanisms for ensuring compliance as developed by each relevant business unit and include:
		 • An event register on the risk information system (InControl) is utilised for:
		   • Governance compliance incorporating items such as completing the Compliance Audit Returns and annual returns, Primary returns, annual review of delegations;
		   • Internal compliance for policy and procedure reviews and legislative updates;
		   • Investigations arising from alleged non-compliance with a variety of legislation and regulations including the *Health Act 1911*, the *Environmental Protection Act 1986*, Contaminated Sites Act 2003 and OH&S Act 1984; and
		   • Internal workflow and procedures to investigate OH&S incidents and near misses, safety inspections and emergency drill procedures.
		 • An event register on the risk information system (InTuition) is utilised for:
		   • Internal workflow and recording of employee competencies and compliances for job / task readiness;
		   • Internal workflow and scheduling of employee and contractor inductions; and
		   • Internal workflow and procedures to schedule all employee certificated competencies and compliance training and reviews.

Reviewing the annual Compliance Audit Return and reporting to Council the results of that review	Governance Management	The MRC's Compliance Audit Return is reported to Council annually and anomalies are referred to relevant Business Units to implement appropriate fixes.
Reviewing whether the local government has procedures for it to receive, retain and treat complaints, including confidential and anonymous employee complaints	Governance Management	These procedures are addressed within the following documents; • MRC's Enterprise Agreement 2013; • HRM27 Grievance Management; • HRM25 Public Interest Disclosure • HRM24 Customer Complaints
Reviewing management disclosures in financial reports of the effect of significant compliance issues	Corporate Services	The MRC undertakes financial audits and the results, along with management responses, are reported to the Audit Committee.

CEO's Review of Risk Management, Internal Control and Legislative Compliance June 2016

Reviewing whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects, and report compliance and ethics issues to the audit committee	Corporate Services	The scope of work for each financial audit addresses compliance and risk and is included within the results.
Monitoring the local government's compliance frameworks dealing with relevant external legislation and regulatory requirements	Governance Management	The MRC procures professional services from WALGA, lawyers and government agencies for regularly relevant external review and updates to legislative changes which include the monitoring of regulatory requirements. Thus enabling the review of the relevant policies, procedures, contracts and process for compliance.
Complying with legislative and regulatory requirements imposed on audit committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.	Corporate Services	The MRC relies on the Audit Committee's Terms of Reference and Code of Conduct to ensure behaviour is appropriate.