



DOUGLAS SHIRE COUNCIL

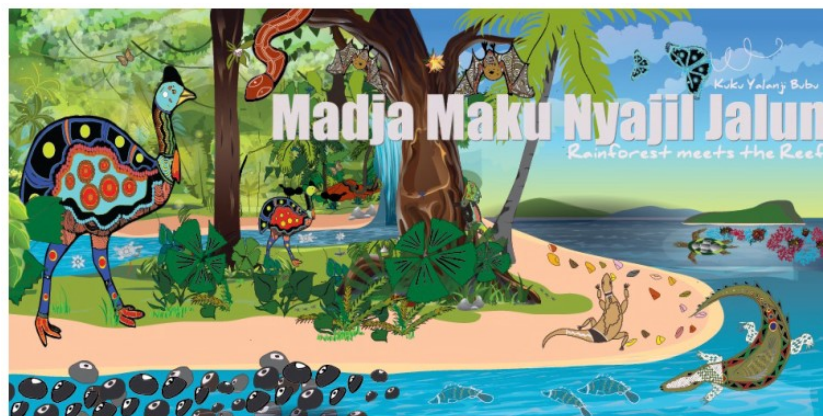
AUDIT COMMITTEE MEETING

AGENDA

Monday, 23 August 2021

ENSURING EXCELLENCE IN GOVERNANCE
ACCOUNTABLE AND TRANSPARENT DECISION-MAKING
ENGAGING, PLANNING, PARTNERING
CELEBRATING OUR COMMUNITIES

DOUGLAS
SHIRE COUNCIL



Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schonenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled "**Daintree Ferry**"

PLEASE NOTE:

Conduct in Closed Session:

Council is obligated under Chapter 8, Part 2, Division 1A of the Local Government Regulation 2012 (Regulation) for its meetings to be open.

Section 254A (2) of the Regulation states that Division 1A does not apply to Audit Committee Meetings.

Audit Committee meetings are not open to the public and are conducted in closed session.

Record

The Audit Committee is a non-decision-making meeting.

Section 211 of the Regulation states:

- (1) The audit committee of a local government must—
 - (a) meet at least twice each financial year; and
 - (b) review each of the following matters—
 - (i) the internal audit plan for the internal audit for the current financial year;
 - (ii) the internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;
 - (iii) a draft of the local government's financial statements for the preceding financial year before the statements are certified and given to the auditor-general under section 212;
 - (iv) the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year; and
 - (c) as soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.
- (2) At a meeting of the audit committee—
 - (a) a quorum is at least half the number of members of the committee; and
 - (b) either—
 - (i) the chairperson presides; or
 - (ii) if the chairperson is absent, the member chosen by the members present as chairperson for the meeting presides.
- (3) The audit committee may, for performing its functions under subsection (1)(b), seek information or advice from the person who has carried out the internal audit.
- (4) The chief executive officer must present the report mentioned in subsection (1)(c) at the next meeting of the local government.



A meeting of the Douglas Shire Council Audit Committee will be held on **Monday 23 August 2021** at **4:30pm** at the **Administration Office**, 64-66 Front Street, Mossman QLD 4873.

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1. WELCOME

2. ATTENDANCE AND APOLOGIES

Attendance

Committee Members

Chair	Dr Martin Fahy
External Member	Mr Drong Drue
Mayor	Cr Michael Kerr
Deputy Mayor	Cr Lisa Scomazzon

Officers

Acting Chief Executive Officer	Juanita Warner
Chief Financial Officer	Tara Killeen
Manager Project Office	Scott Hahne
Manager Infrastructure	Natasha Murray
Team Leader ICT	Garry Mason
Senior Governance Officer	Natalie Crimmins

Invited External Representatives

Nil

Apologies

3. CONFIRMATION OF MINUTES

That the Audit Committee confirms the minutes of the Audit Committee Meeting held on 21 June 2021.

ATTACHMENTS

Nil

4. DECLARATION OF CONFLICTS OF INTEREST BY MEMBERS OF THE AUDIT COMMITTEE AND OBSERVERS

Officer	Conflict of Interest

5. MATTERS ARISING

Action	Description
Formal Induction	To be organised with WHS Officers

6. OFFICERS' REPORTS

REPORT AUTHOR

Tara Killeen, Chief Financial Officer

RECOMMENDATION

That the Audit Committee notes the Cyber Security Risk Update report.

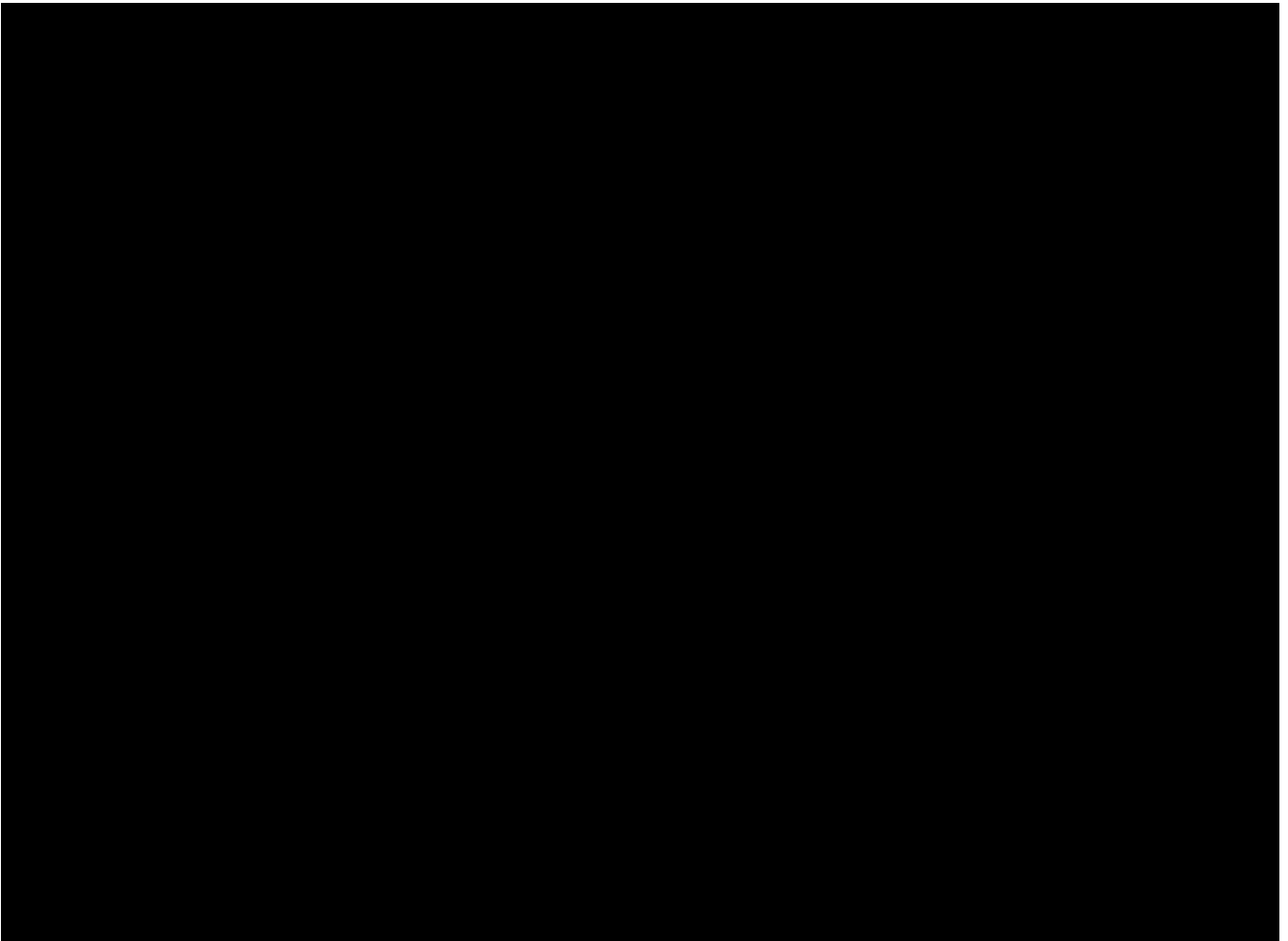
EXECUTIVE SUMMARY

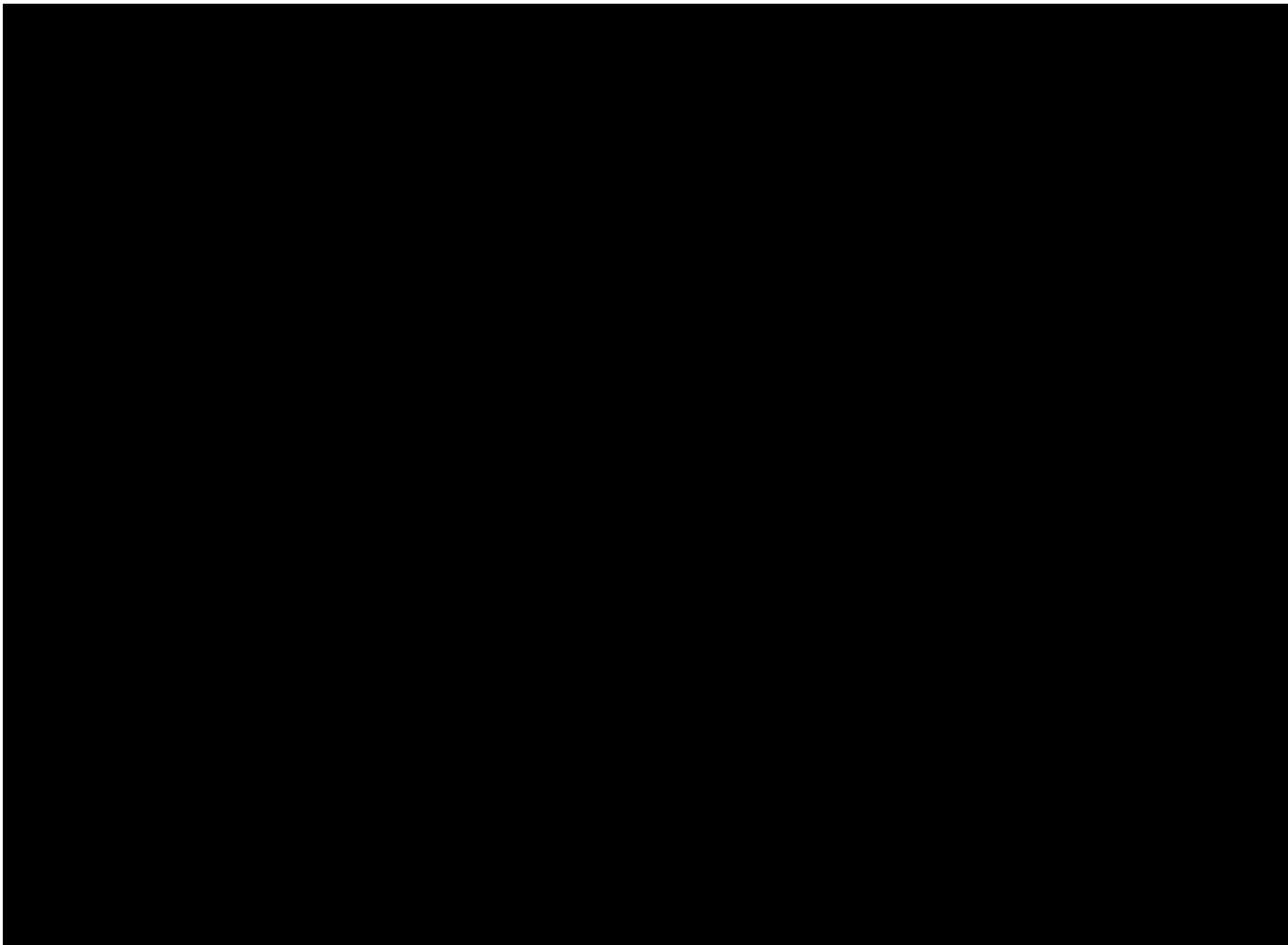
Cyber security is a major risk area for Council and the Audit Committee have requested an update regarding the management of this risk.

BACKGROUND

Cyber risk and Data Breach risk are of great concern to Council and are ever-increasing in volume and calibre. Council's ICT Team and expert consultant's Surebridge have gone to great lengths to ensure Council is protected from these risks.

COMMENT





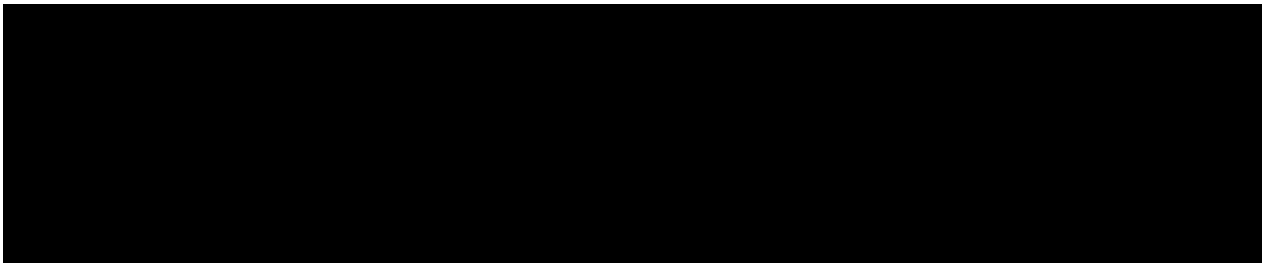
FINANCIAL/RESOURCE IMPLICATIONS

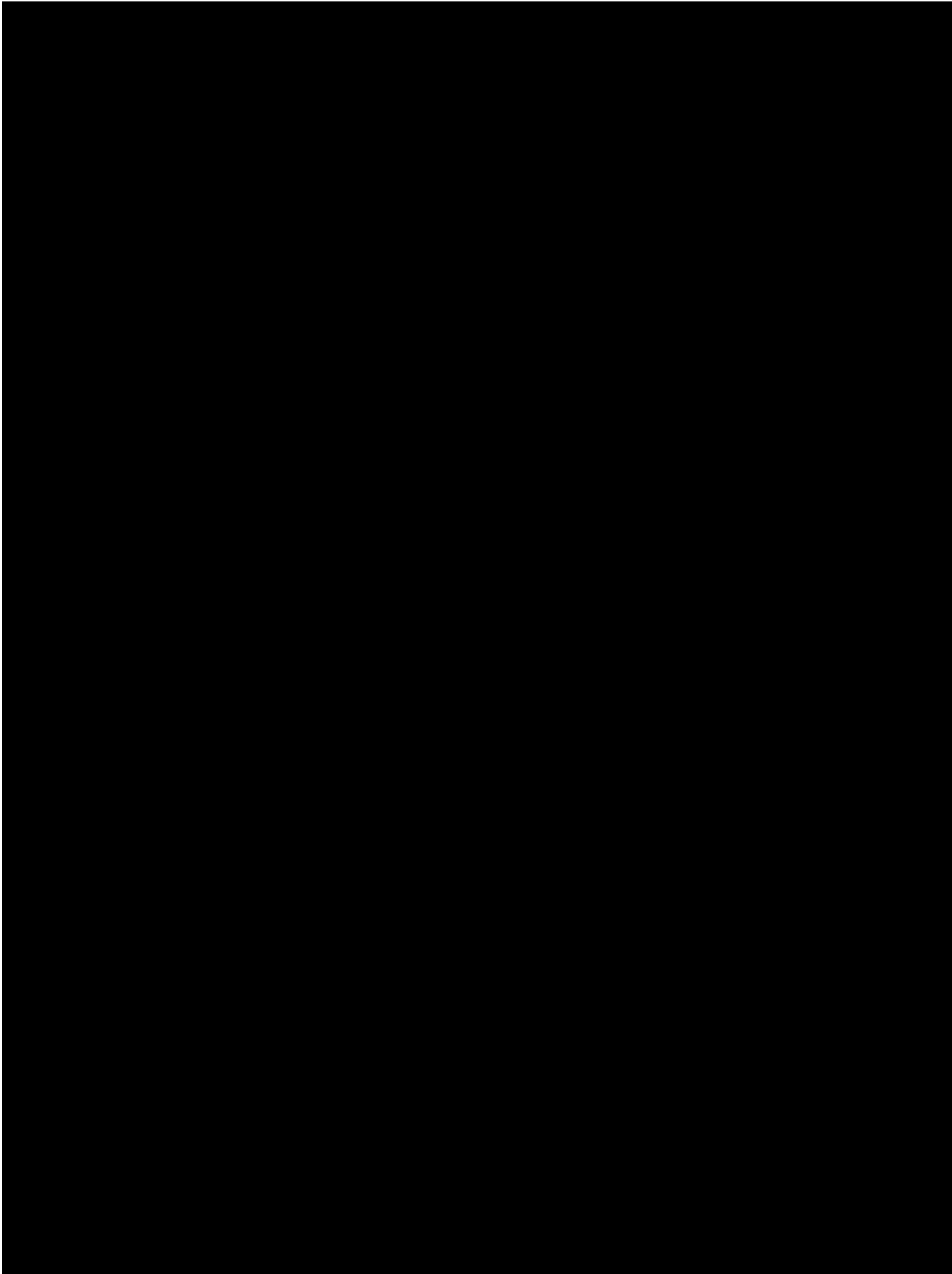
A fixed term ICT Officer is being recruited and likely to commence around September 2021. This additional resource will enable the ICT Team Leader to focus more time on building a forward-looking ICT Strategy, governance / policy and compliance.

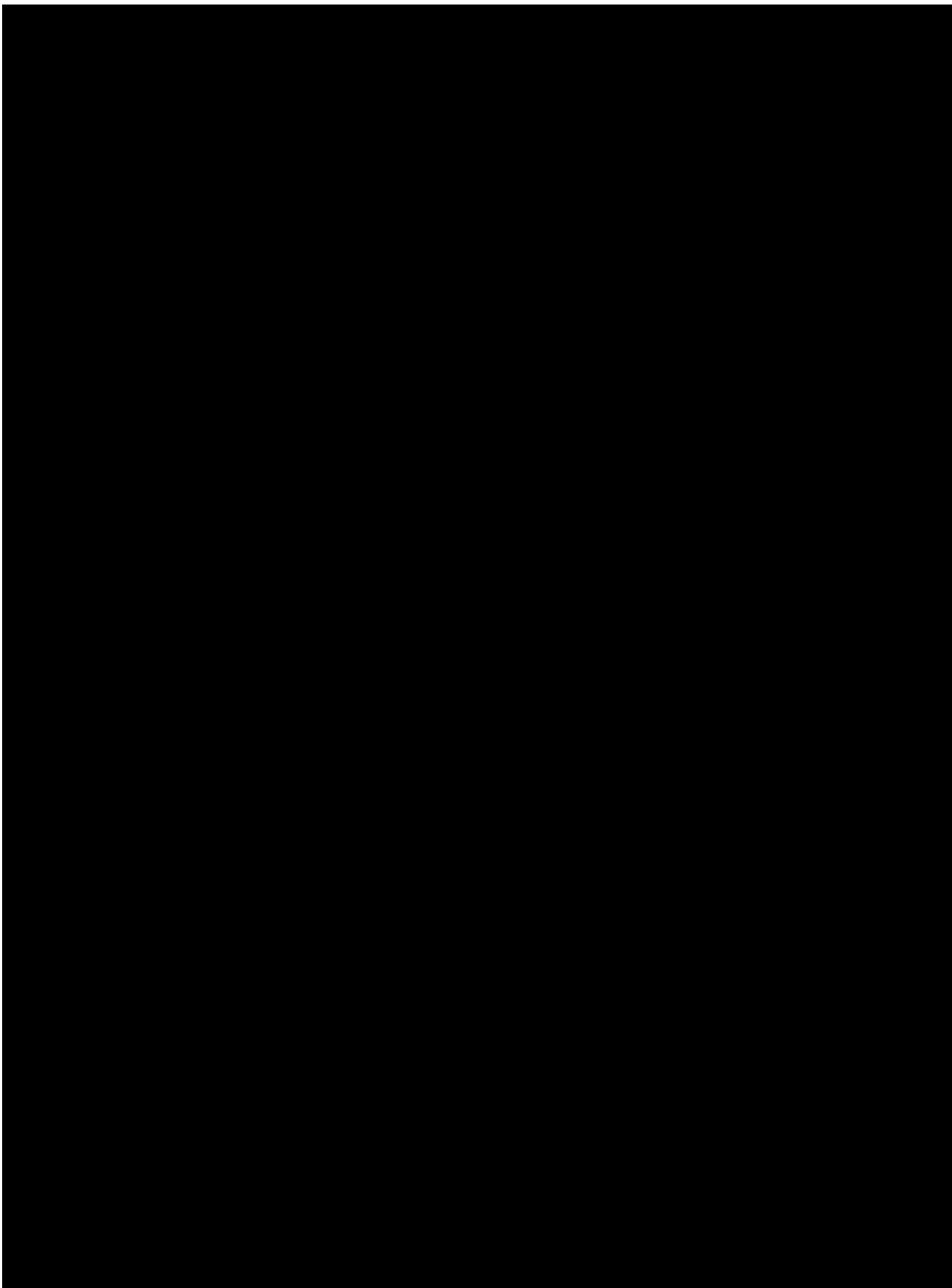
RISK MANAGEMENT IMPLICATIONS

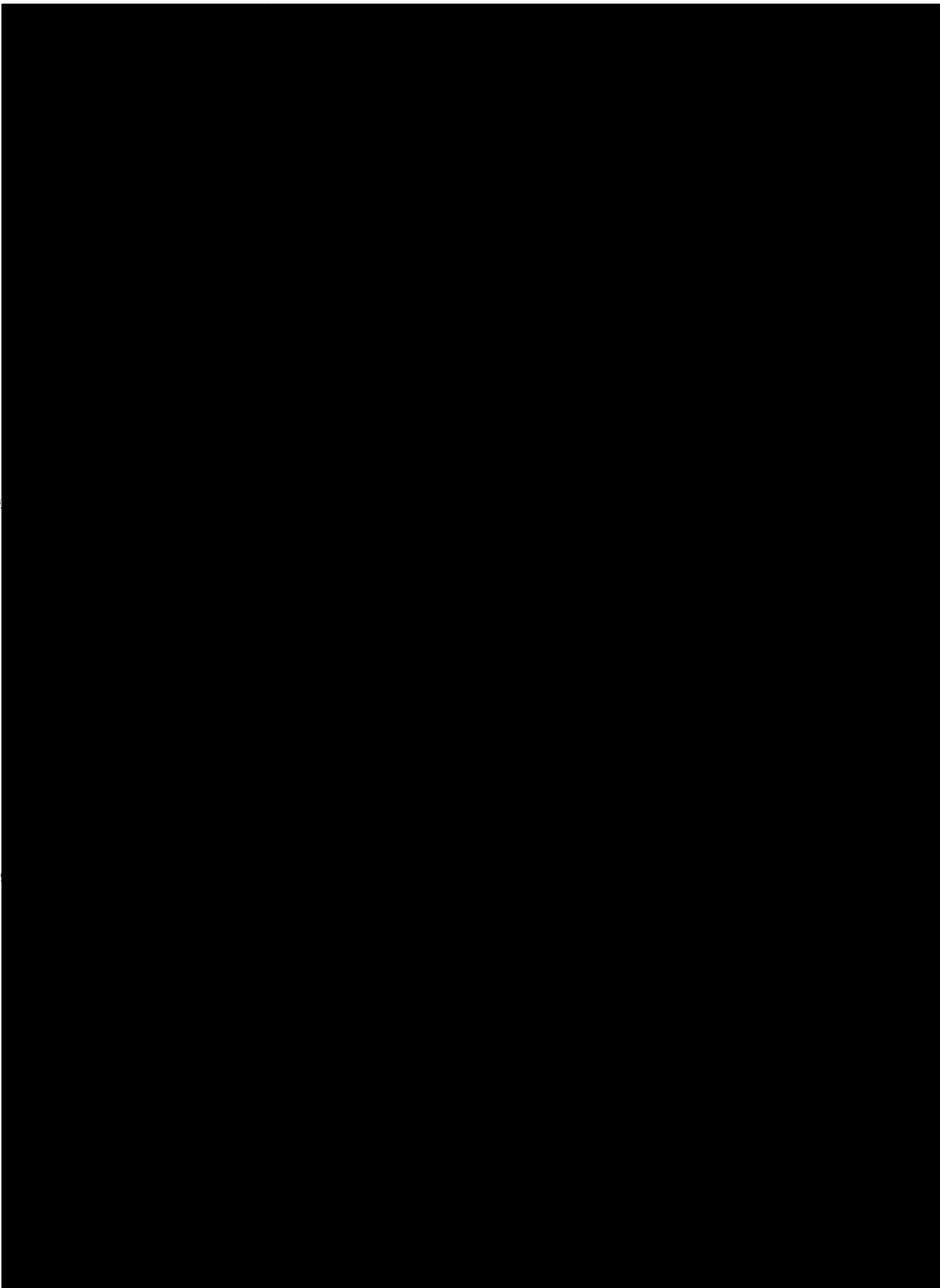
An updated ICT Strategy, better ICT resourcing and Cyber Risk Strategy will ensure risks in this area are identified and managed accordingly.

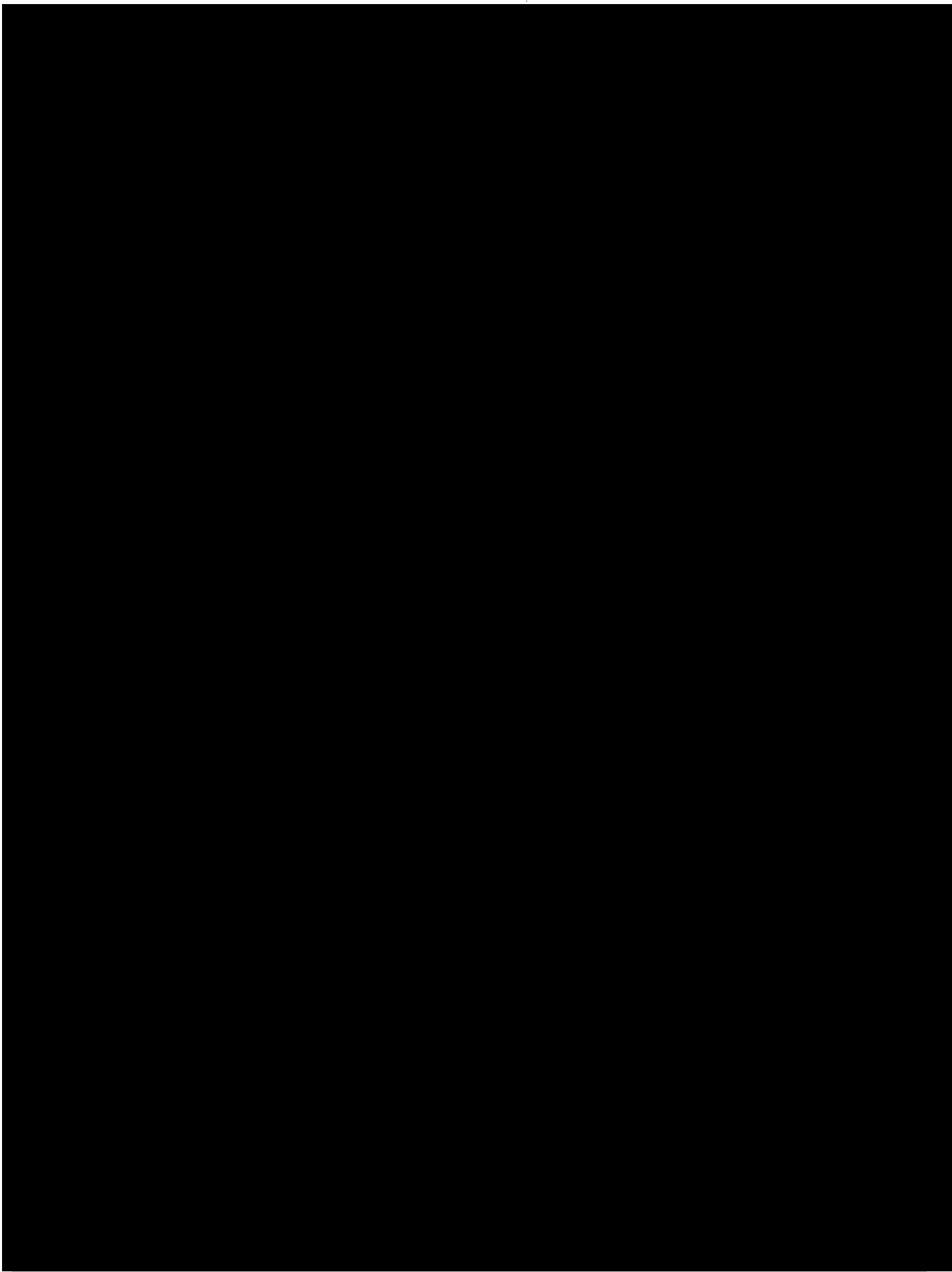
ATTACHMENTS

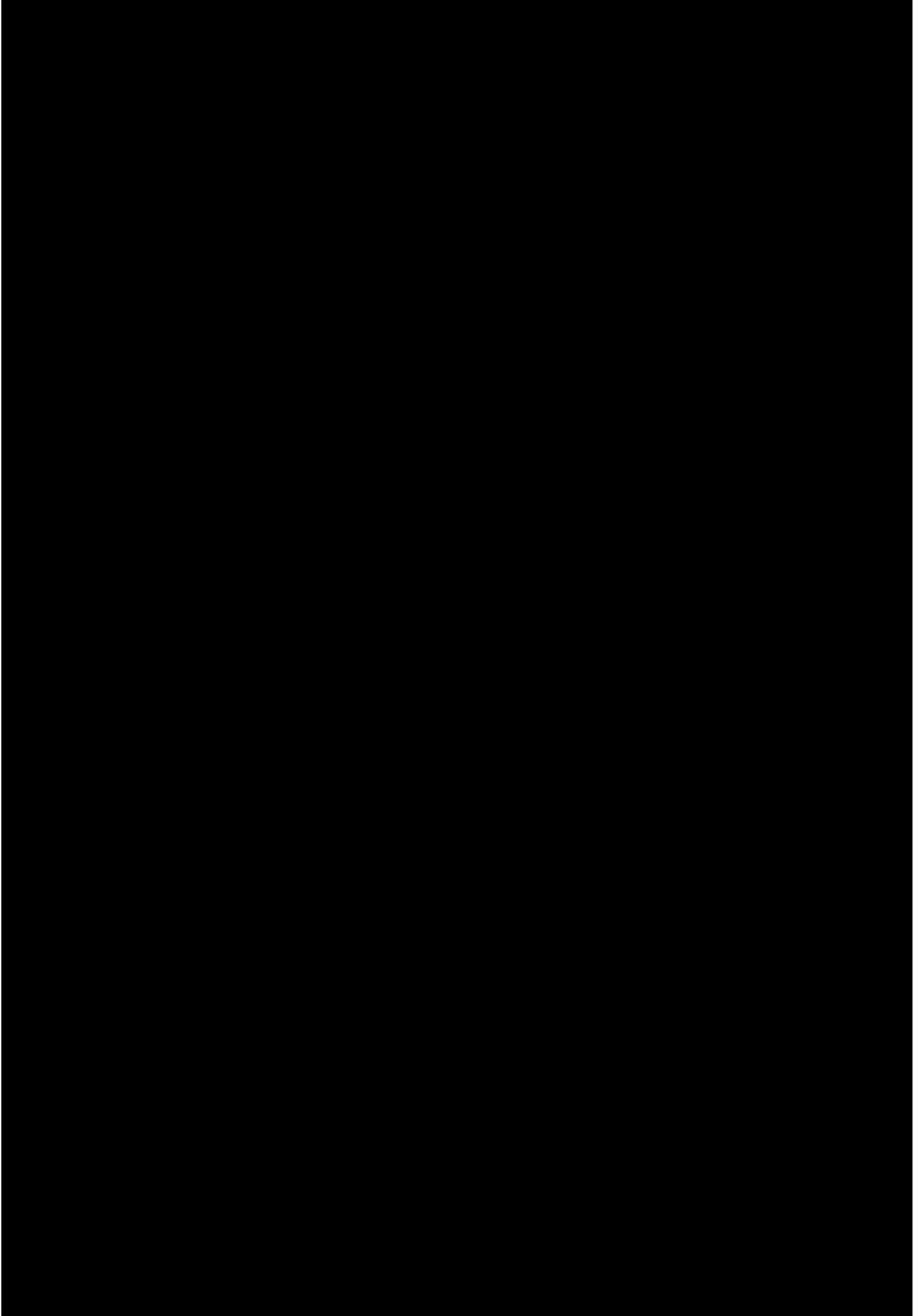


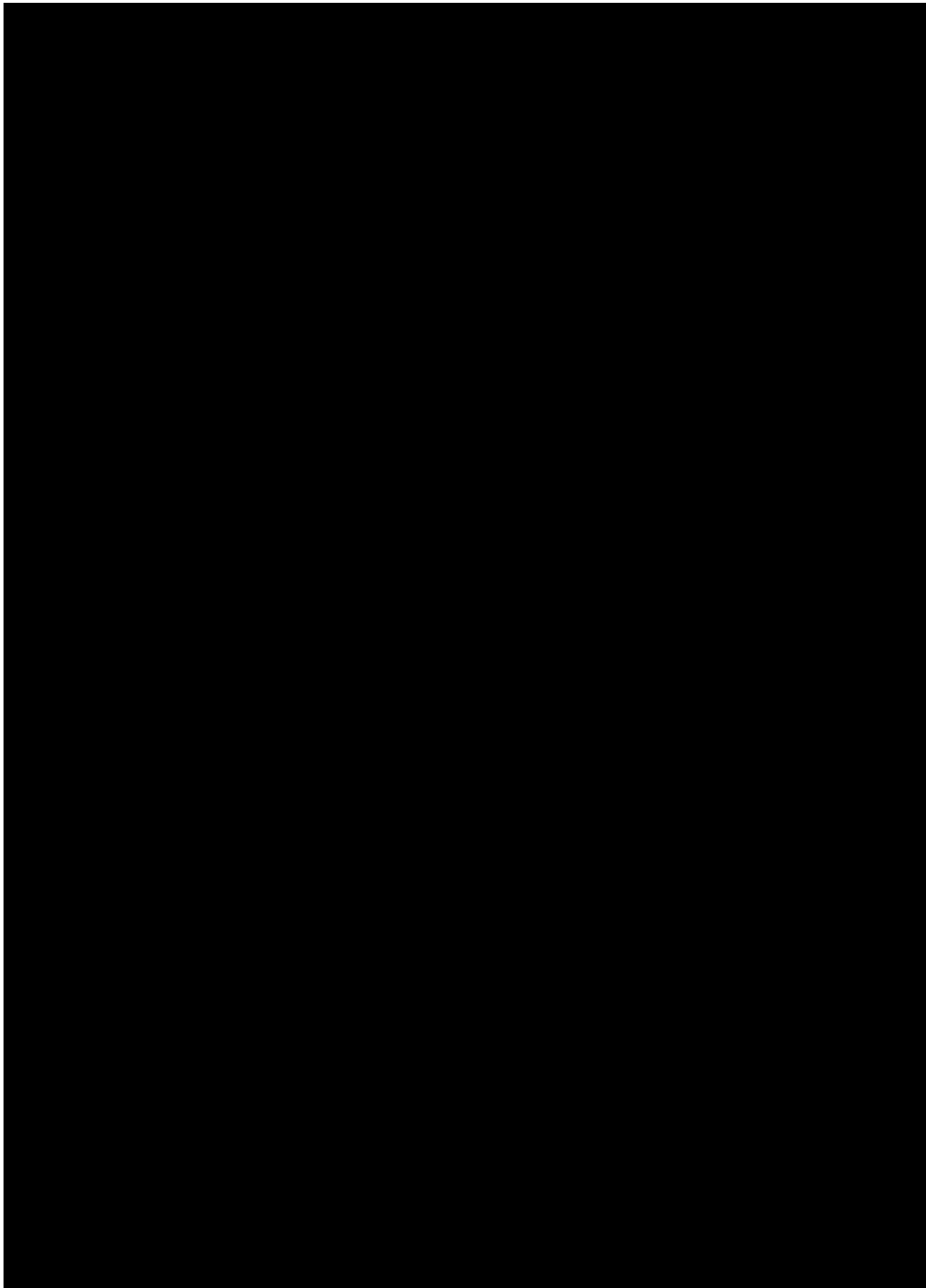


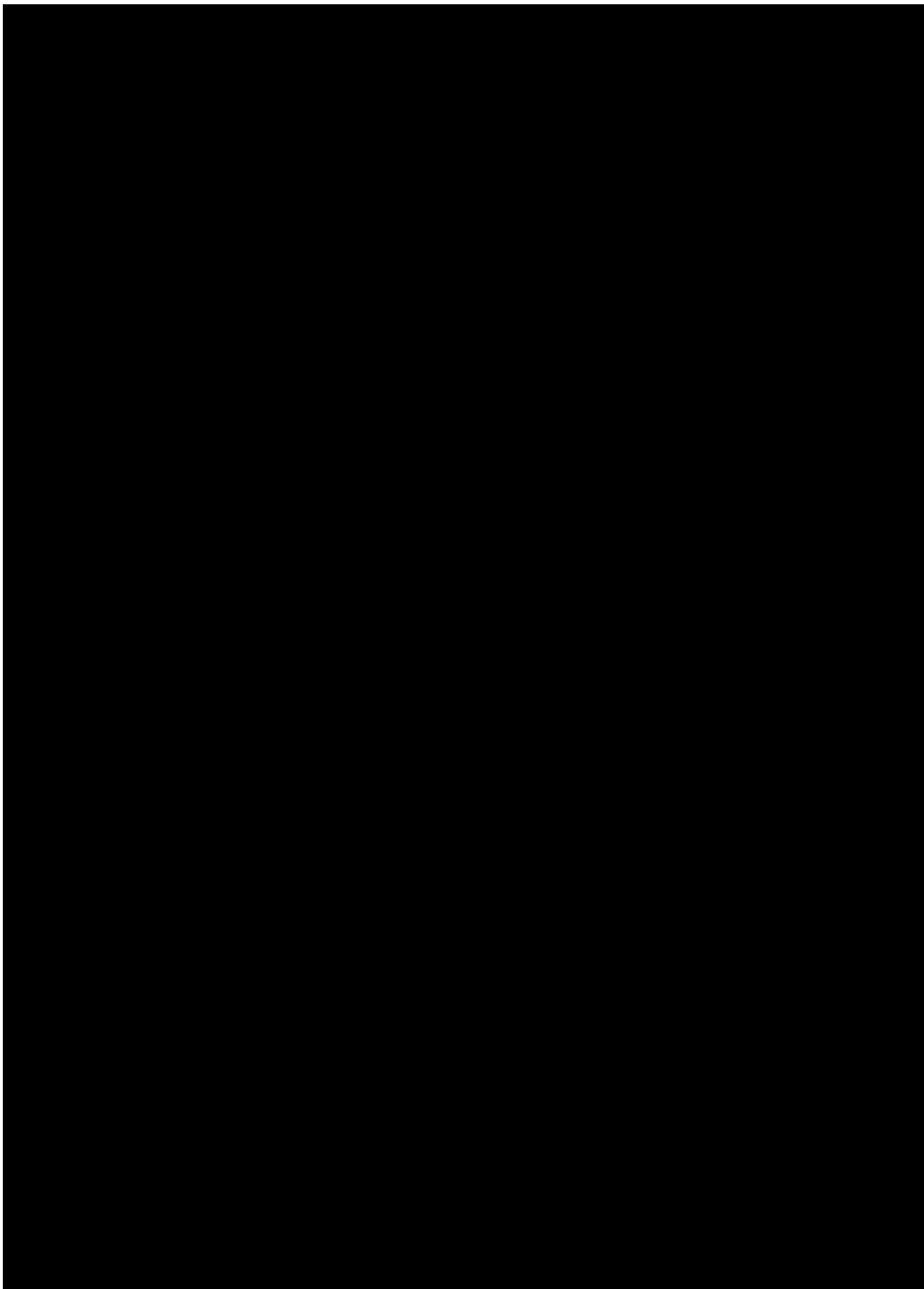


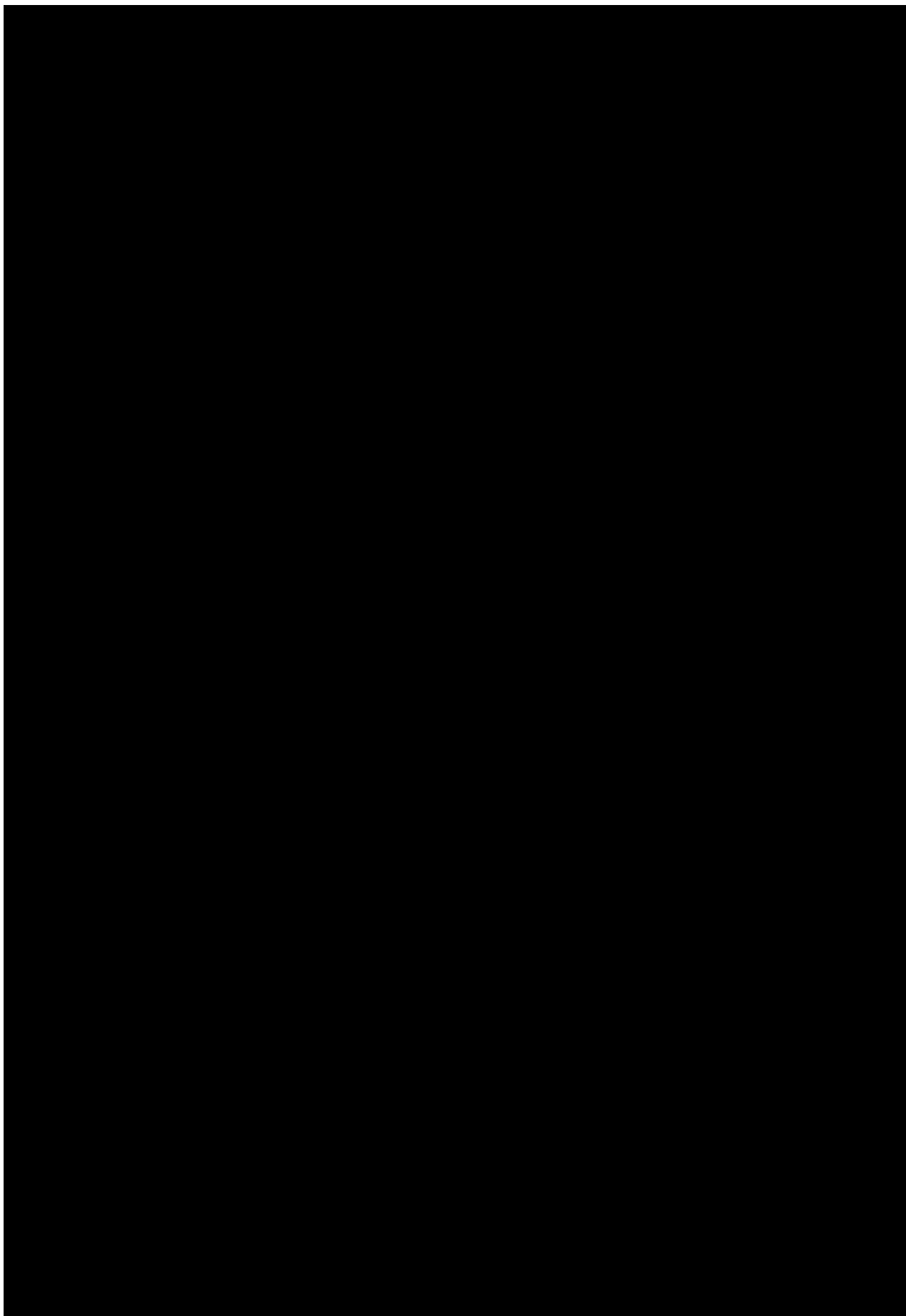


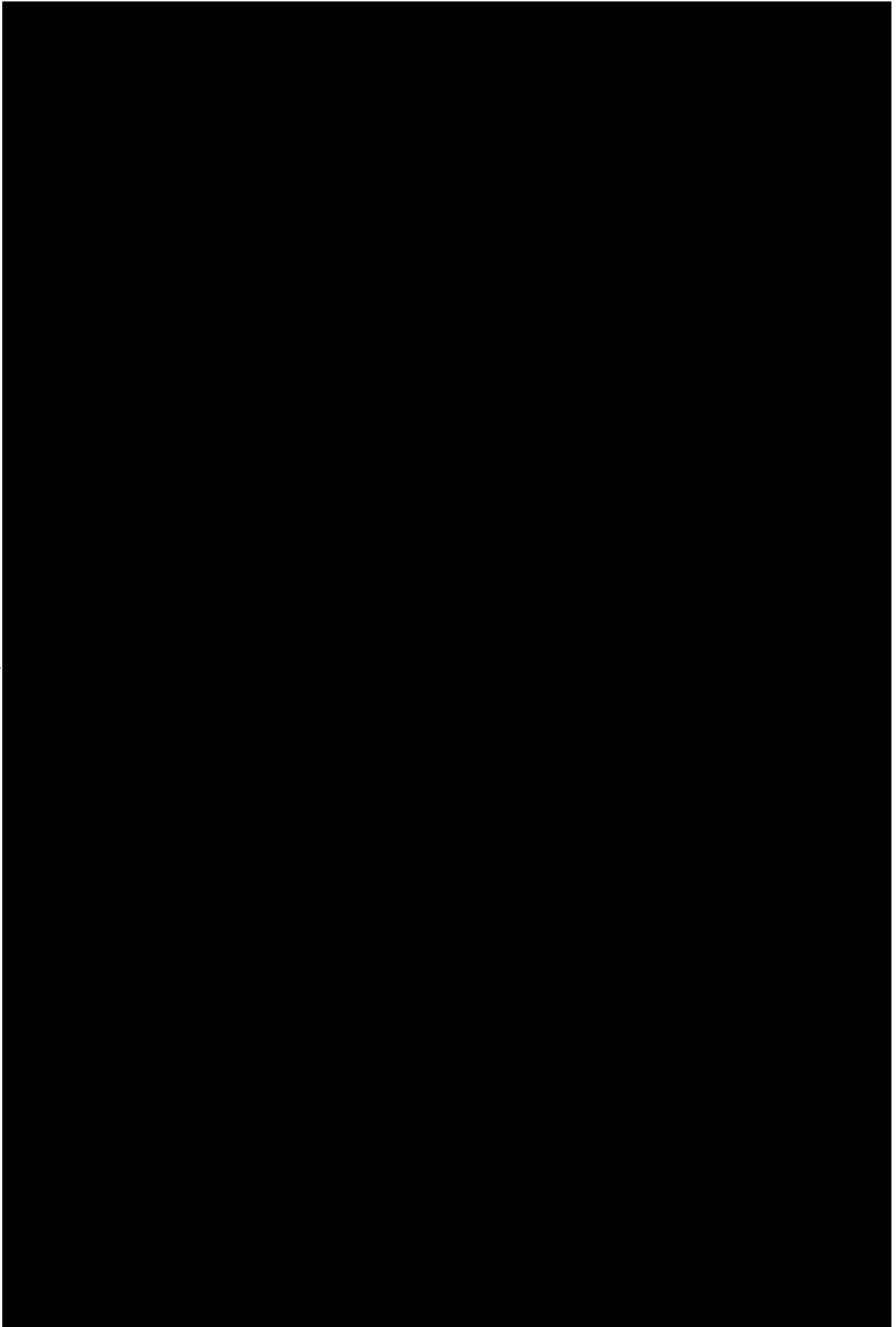


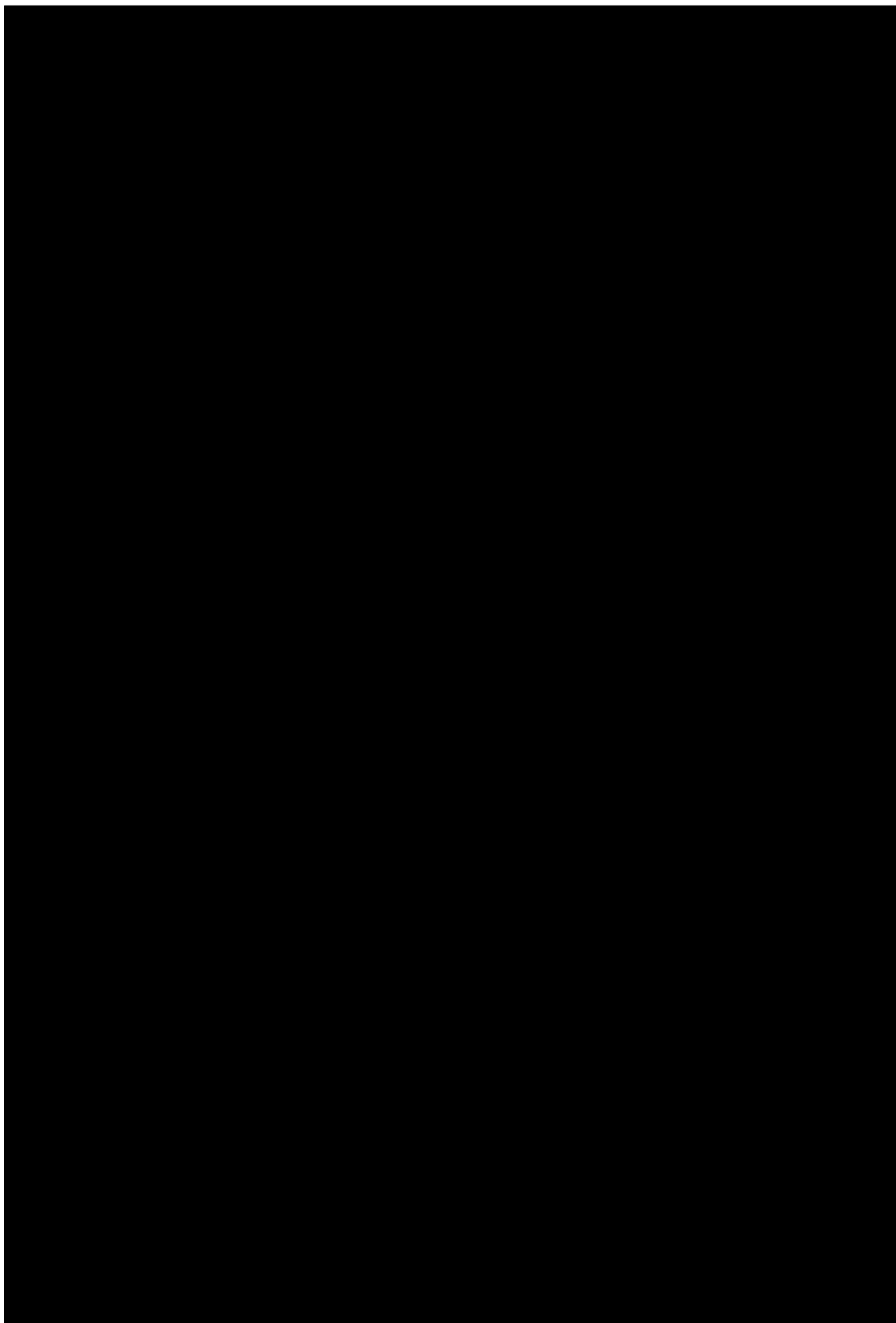


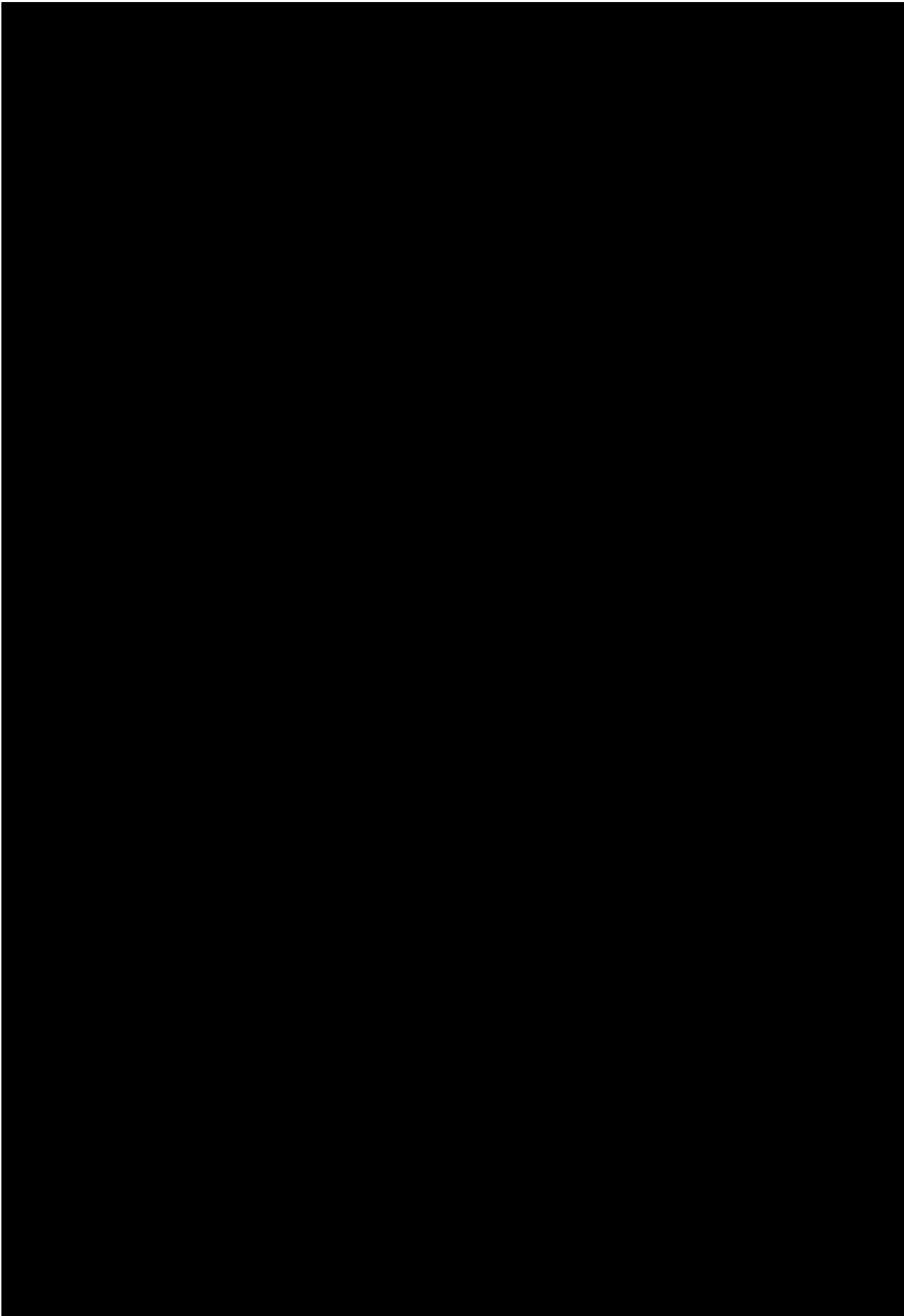


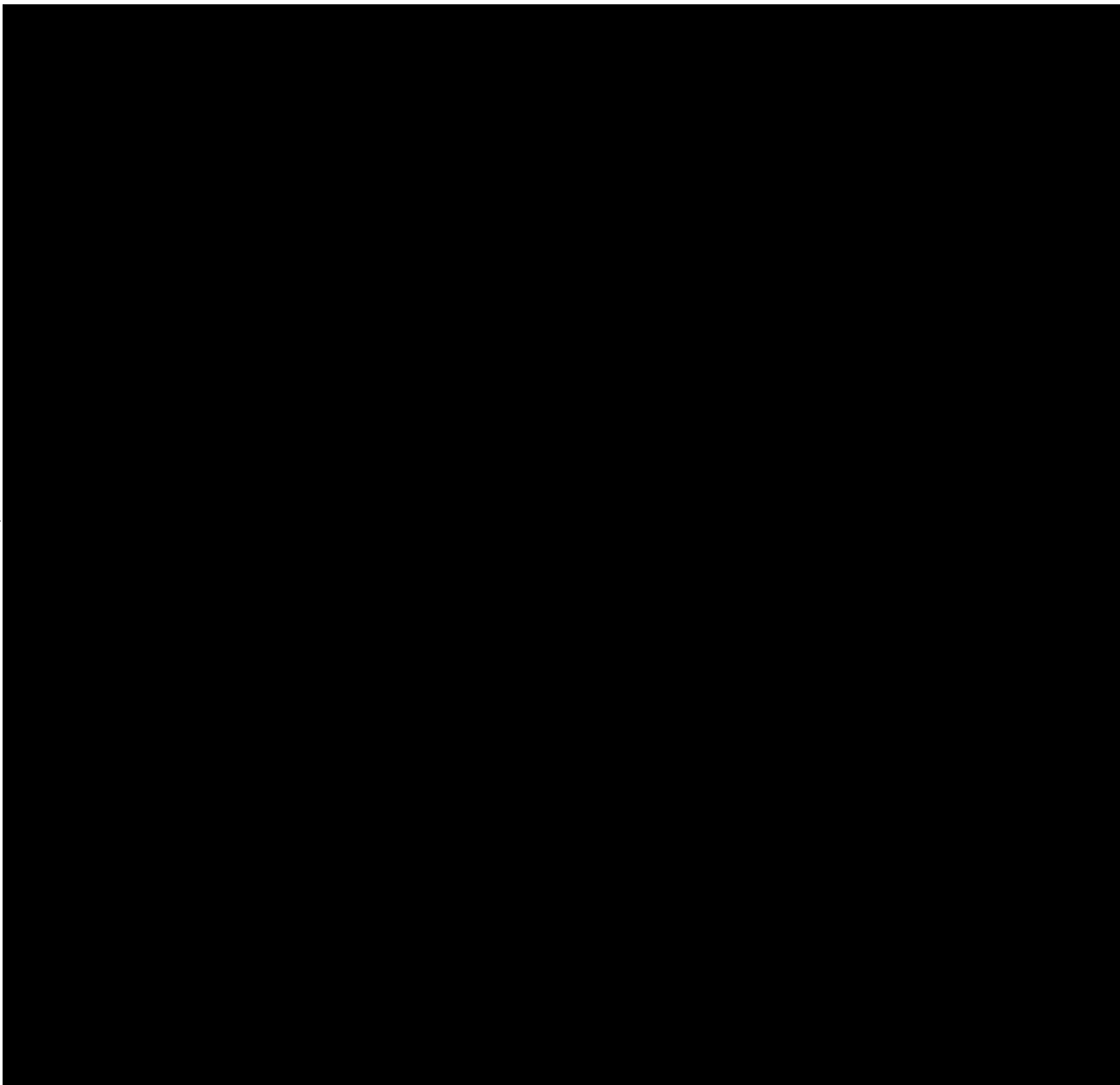


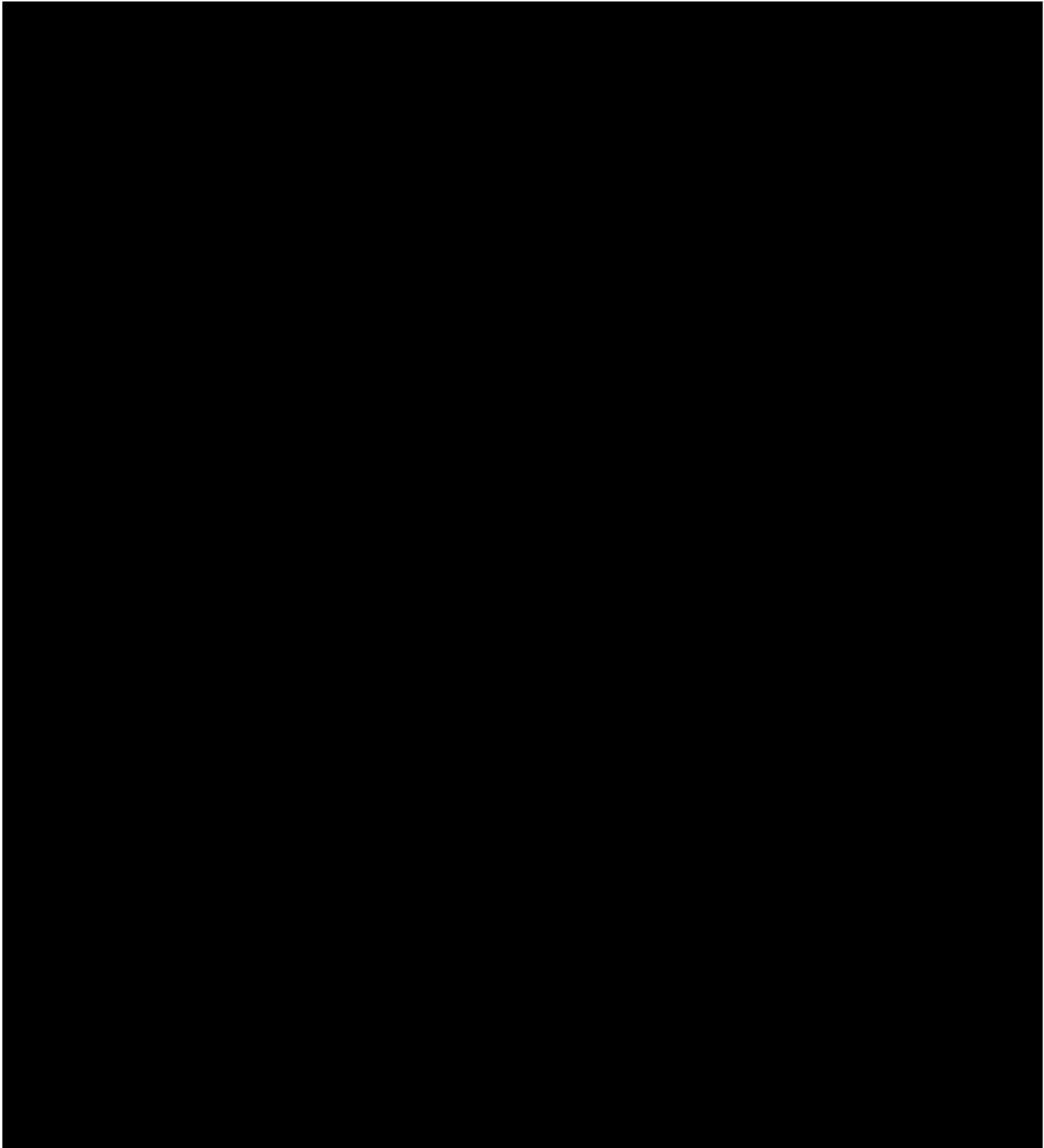


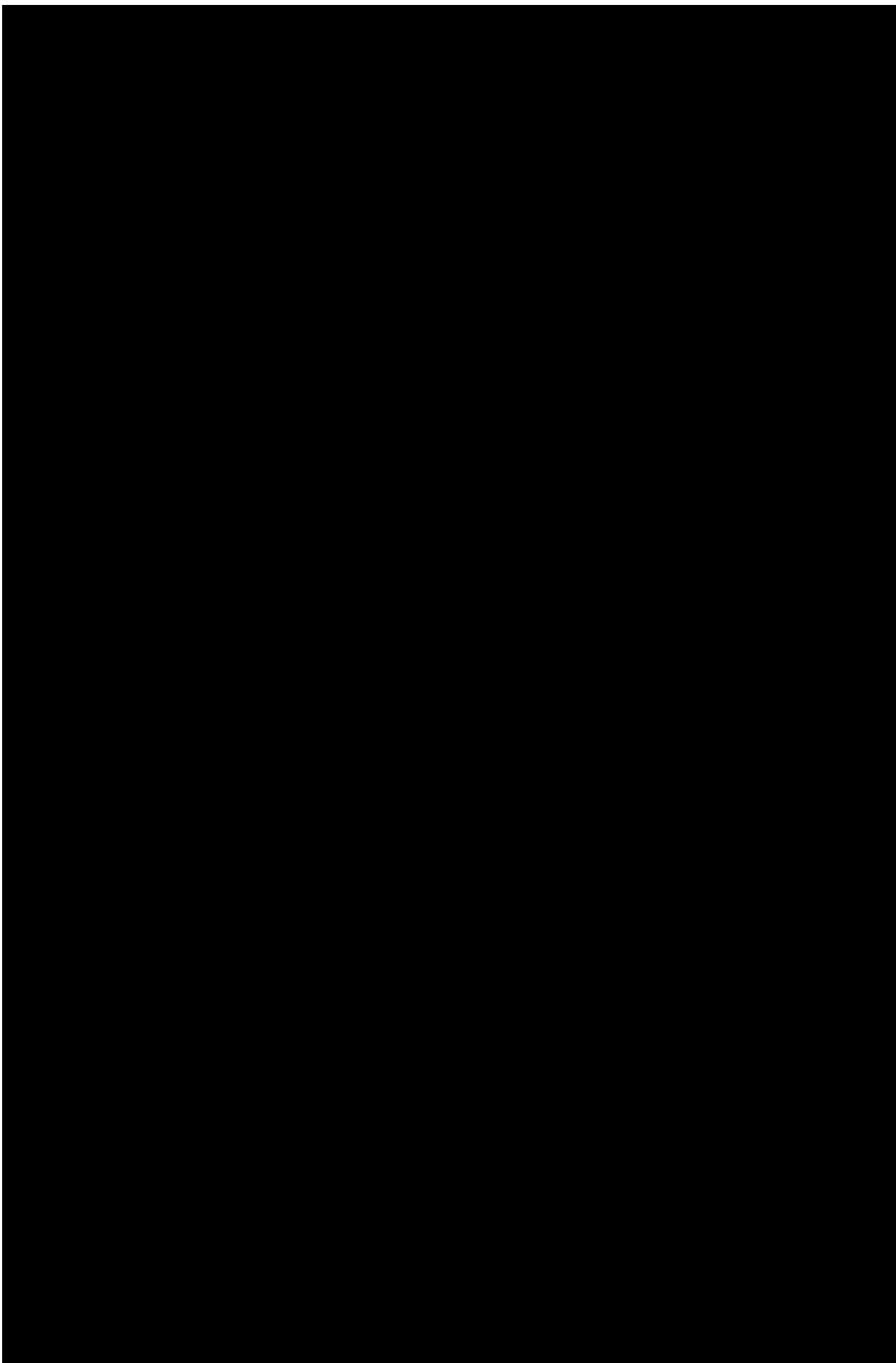


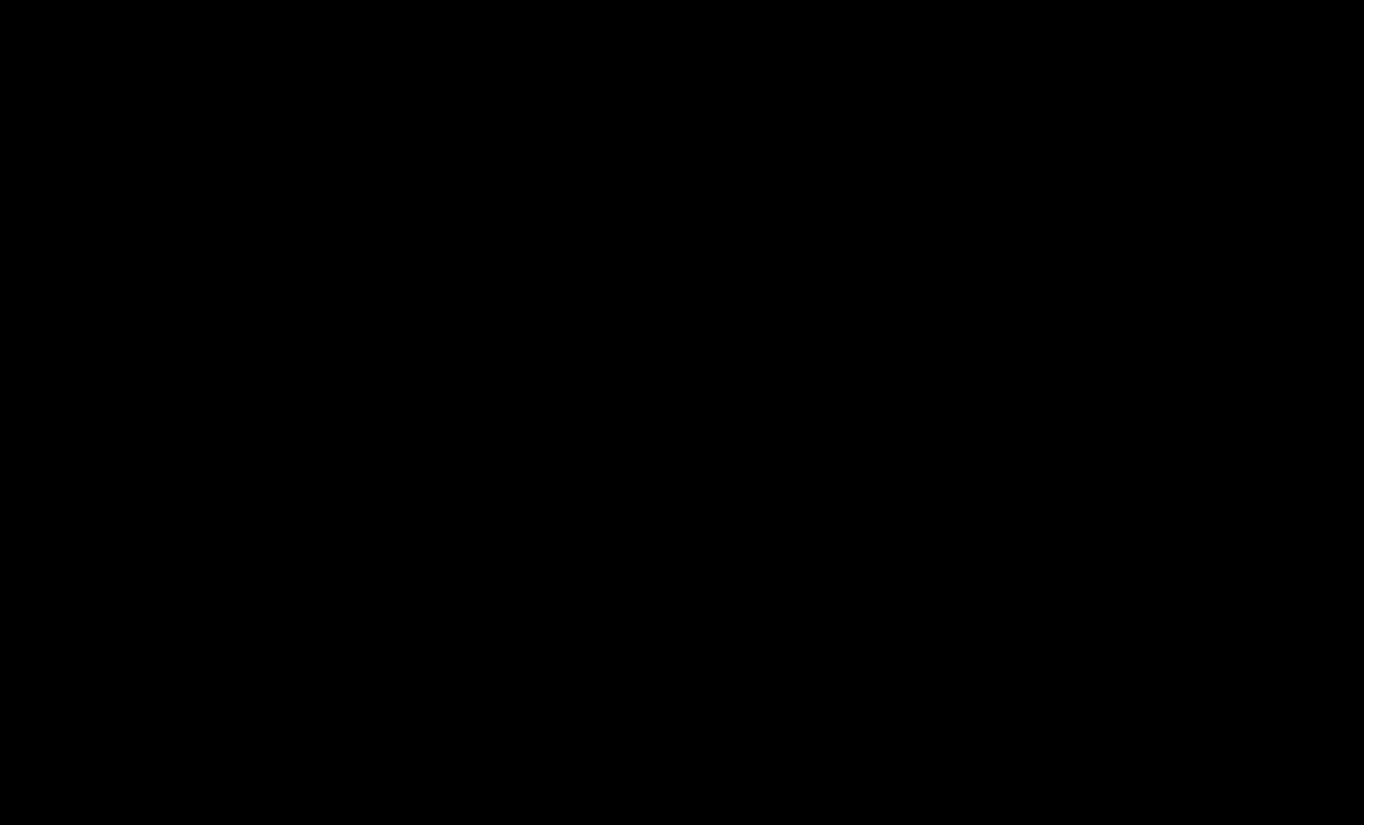


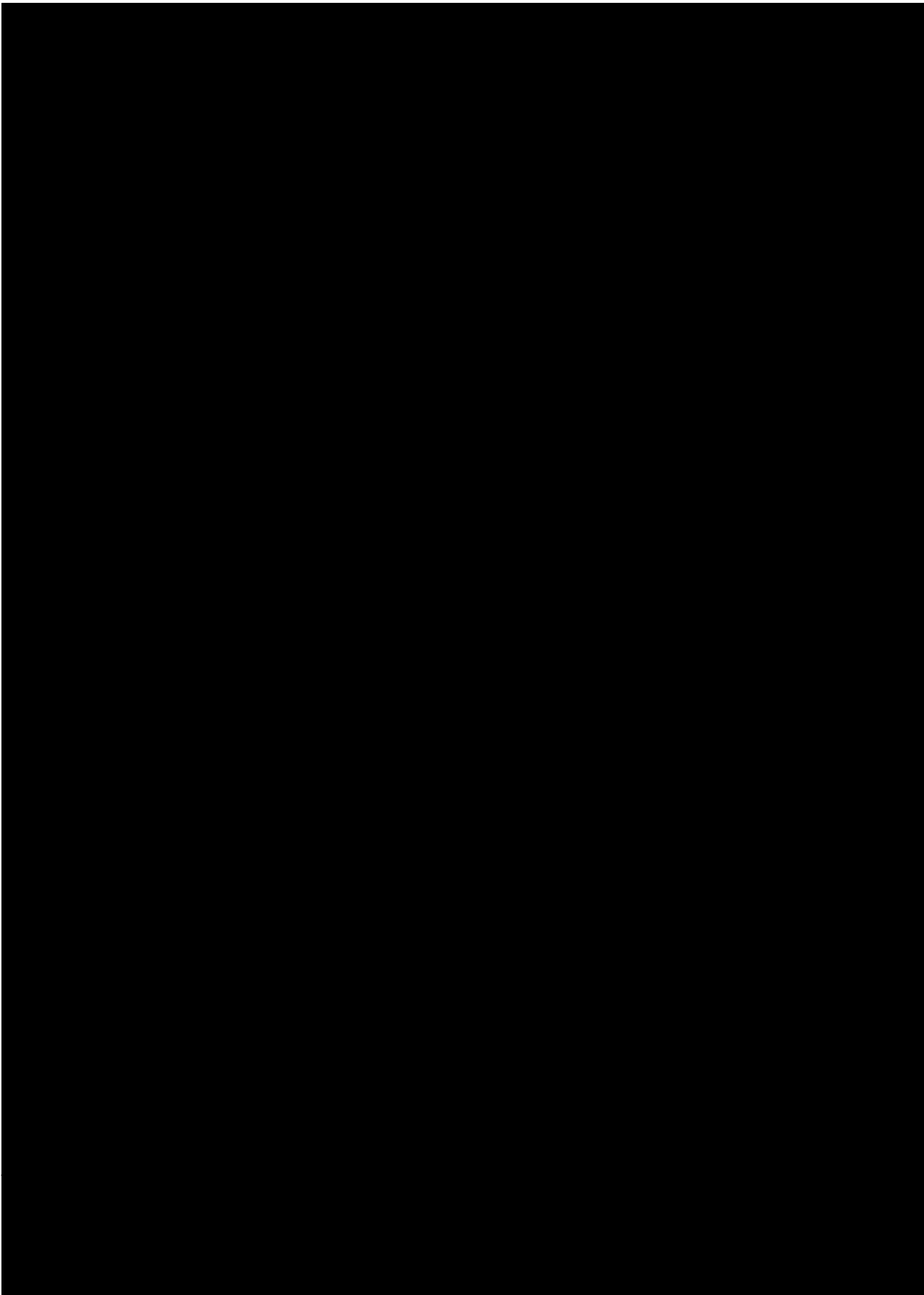


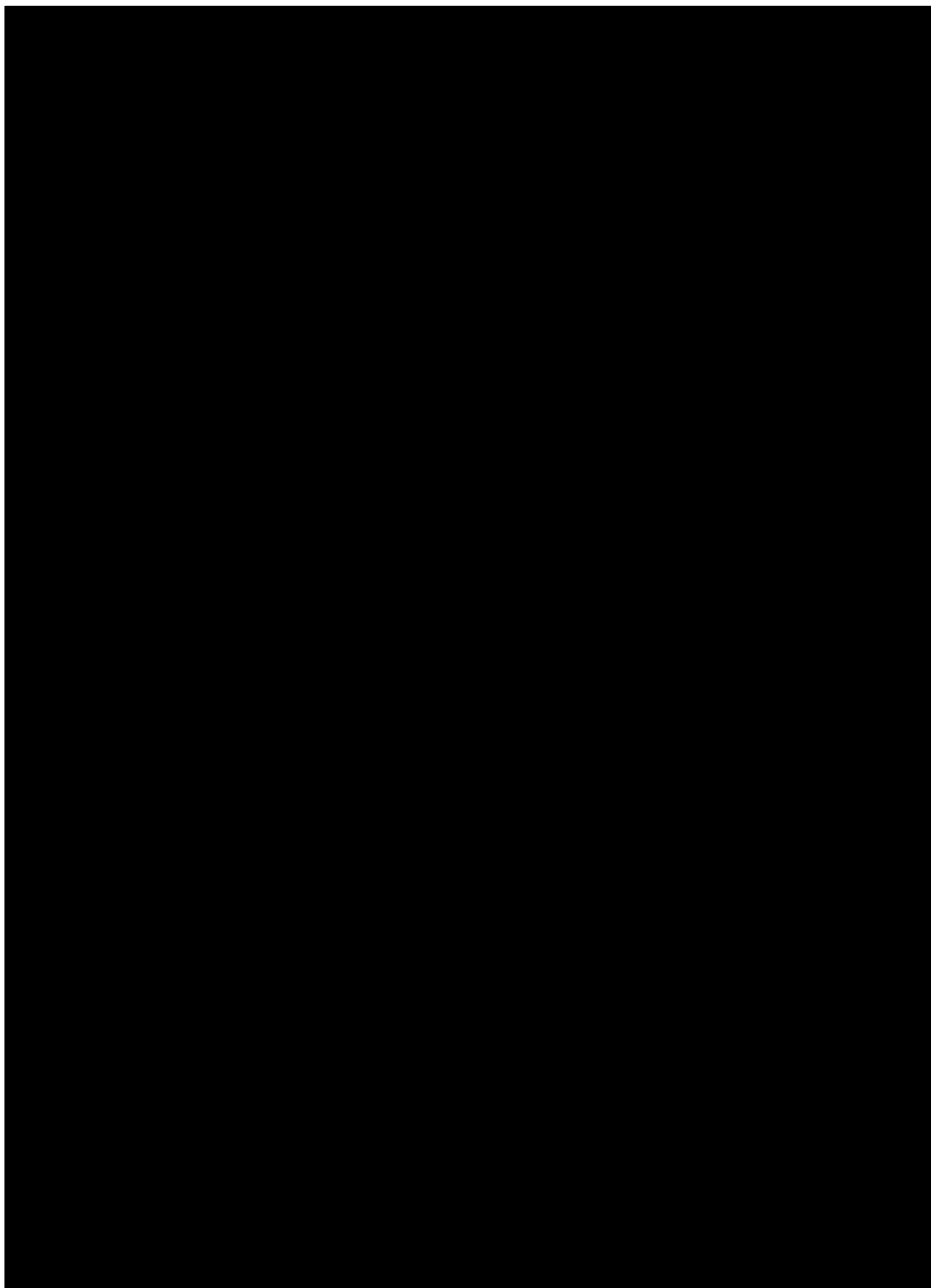


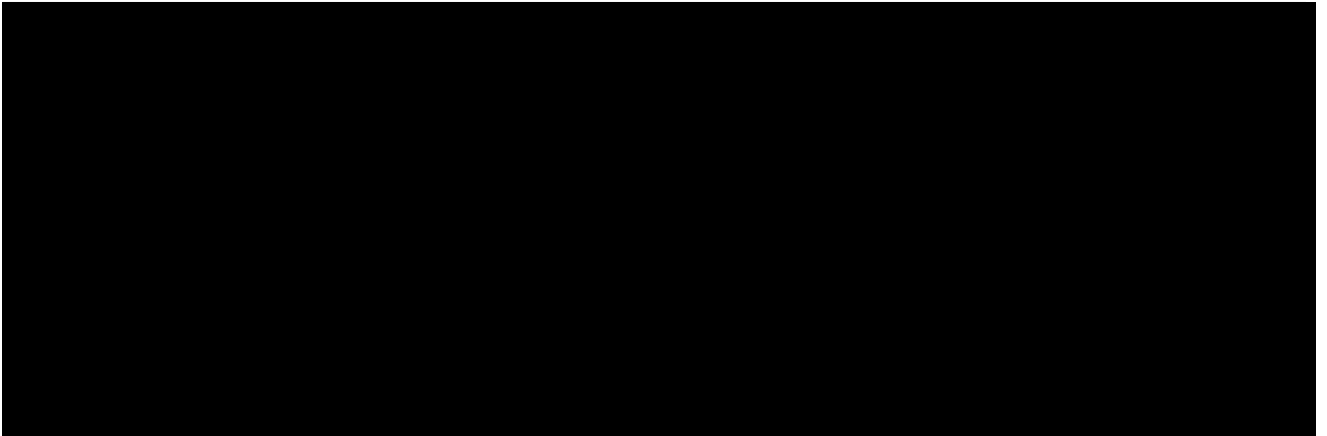


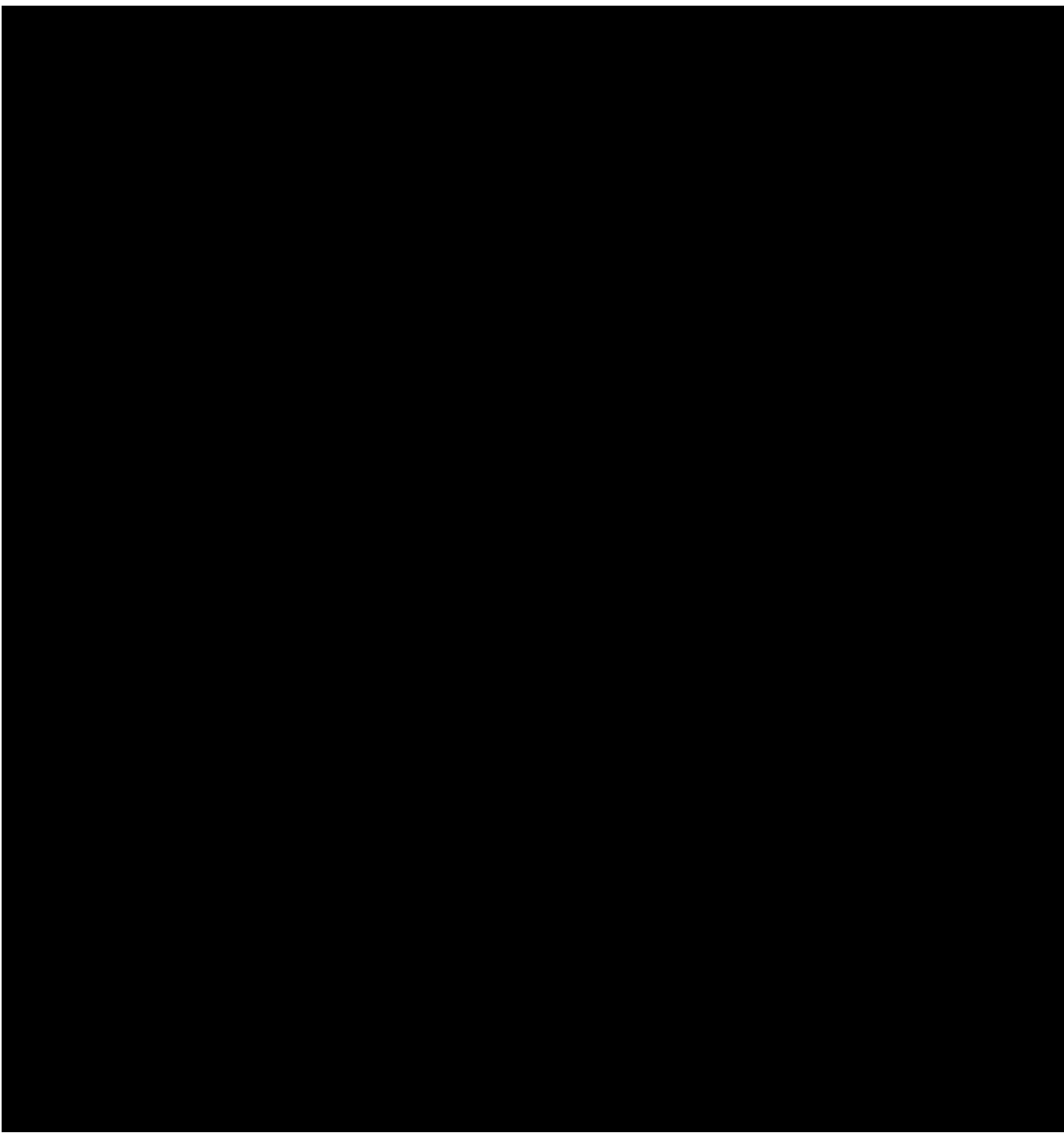


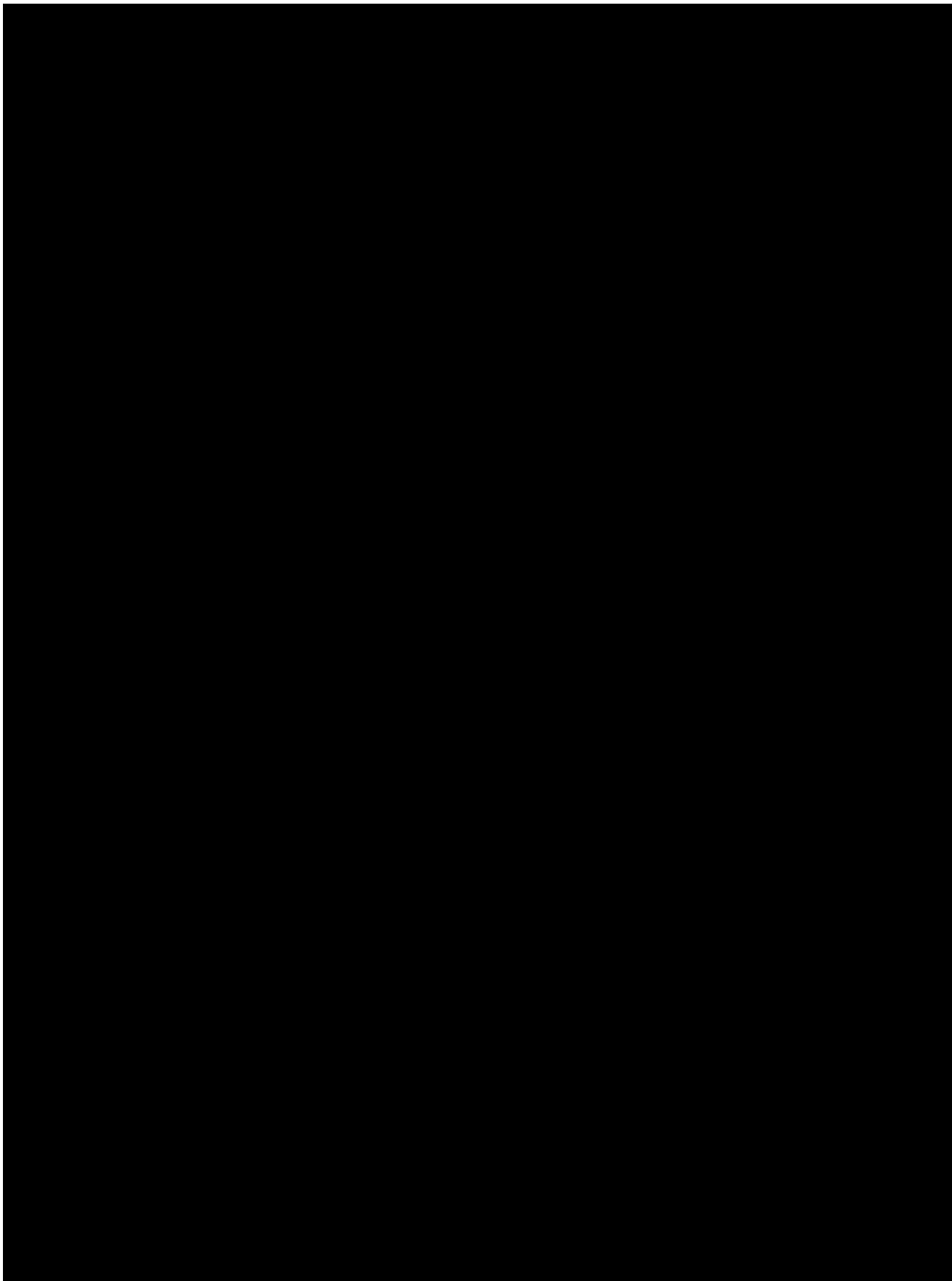


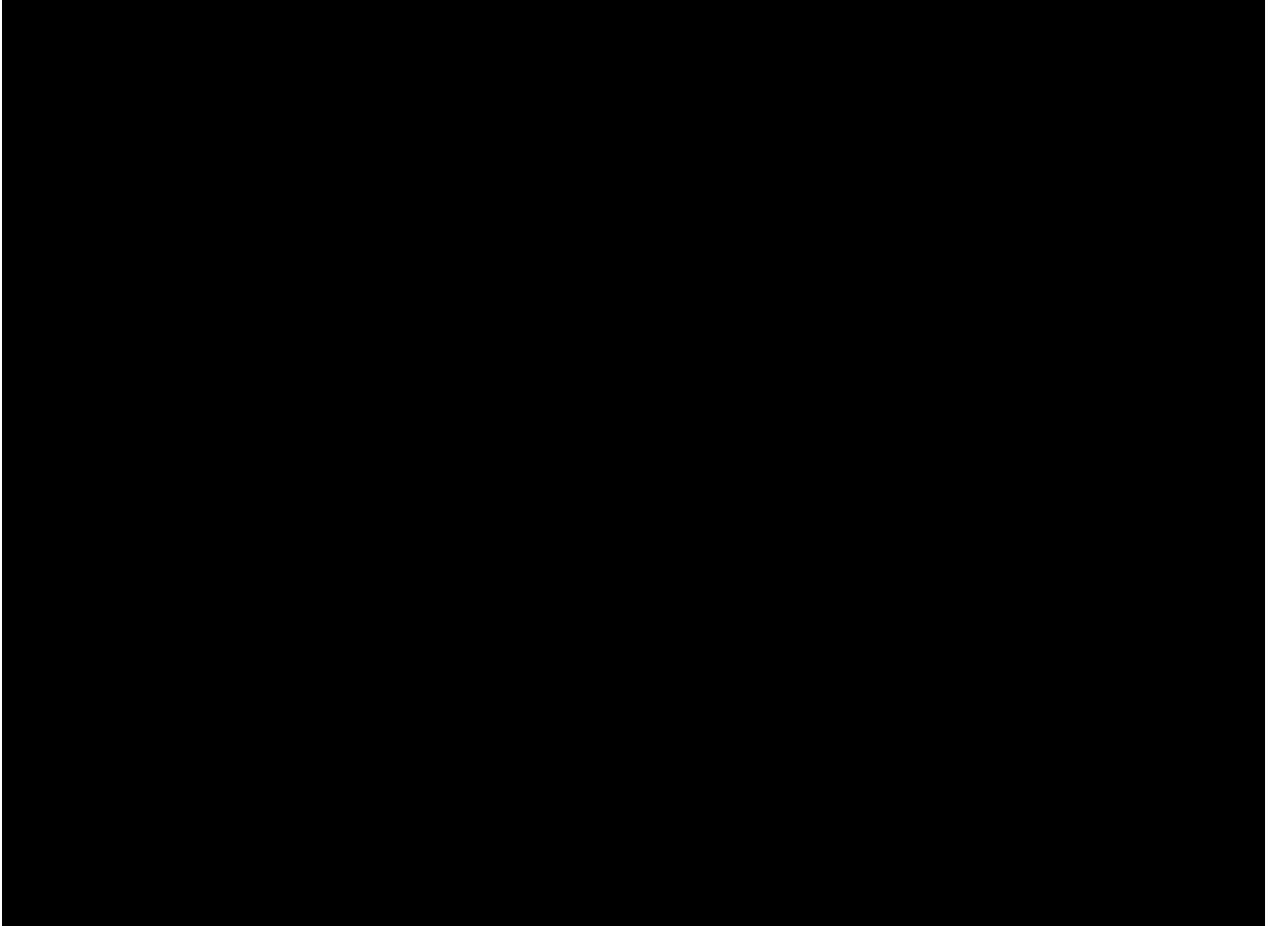


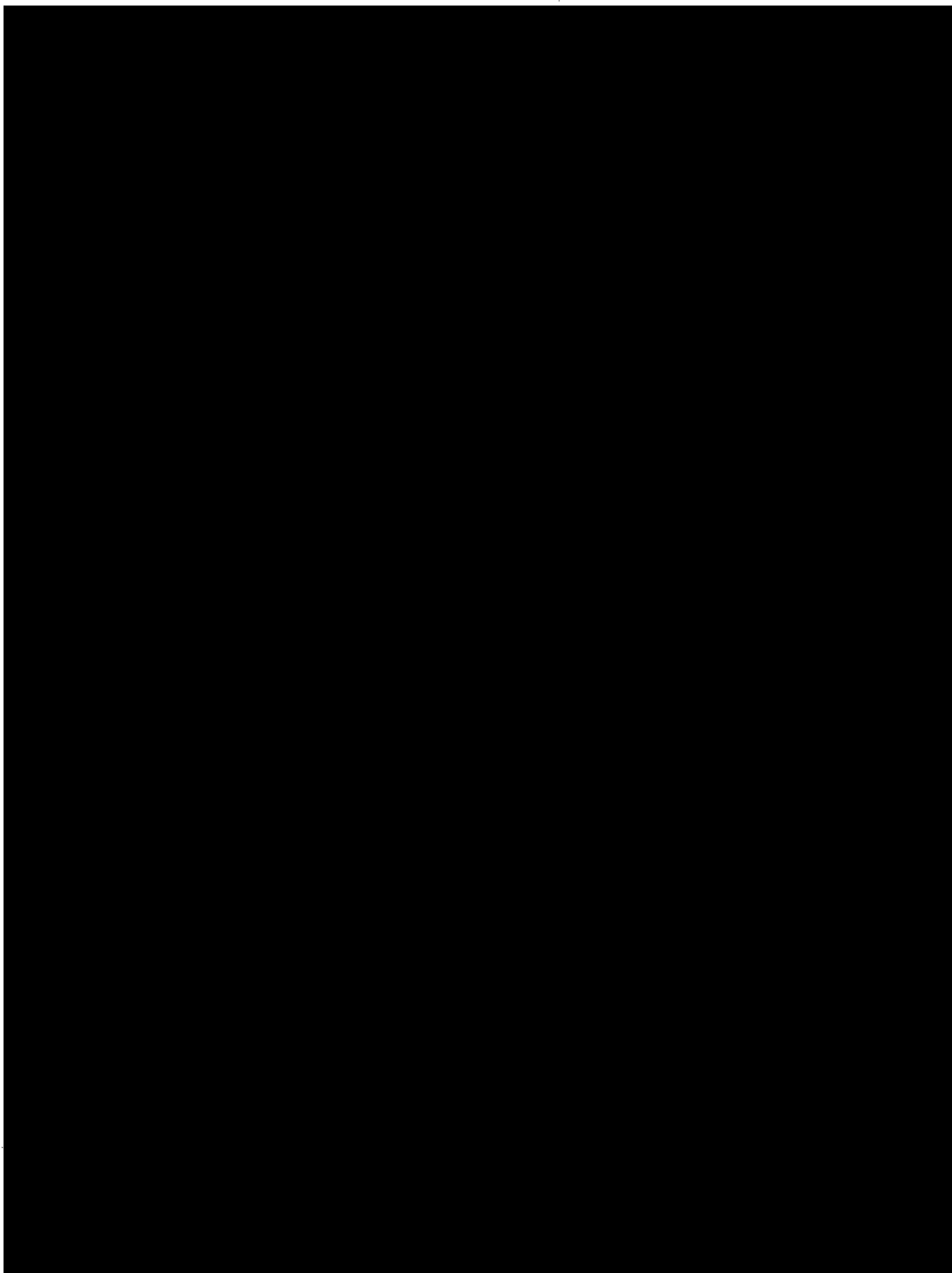


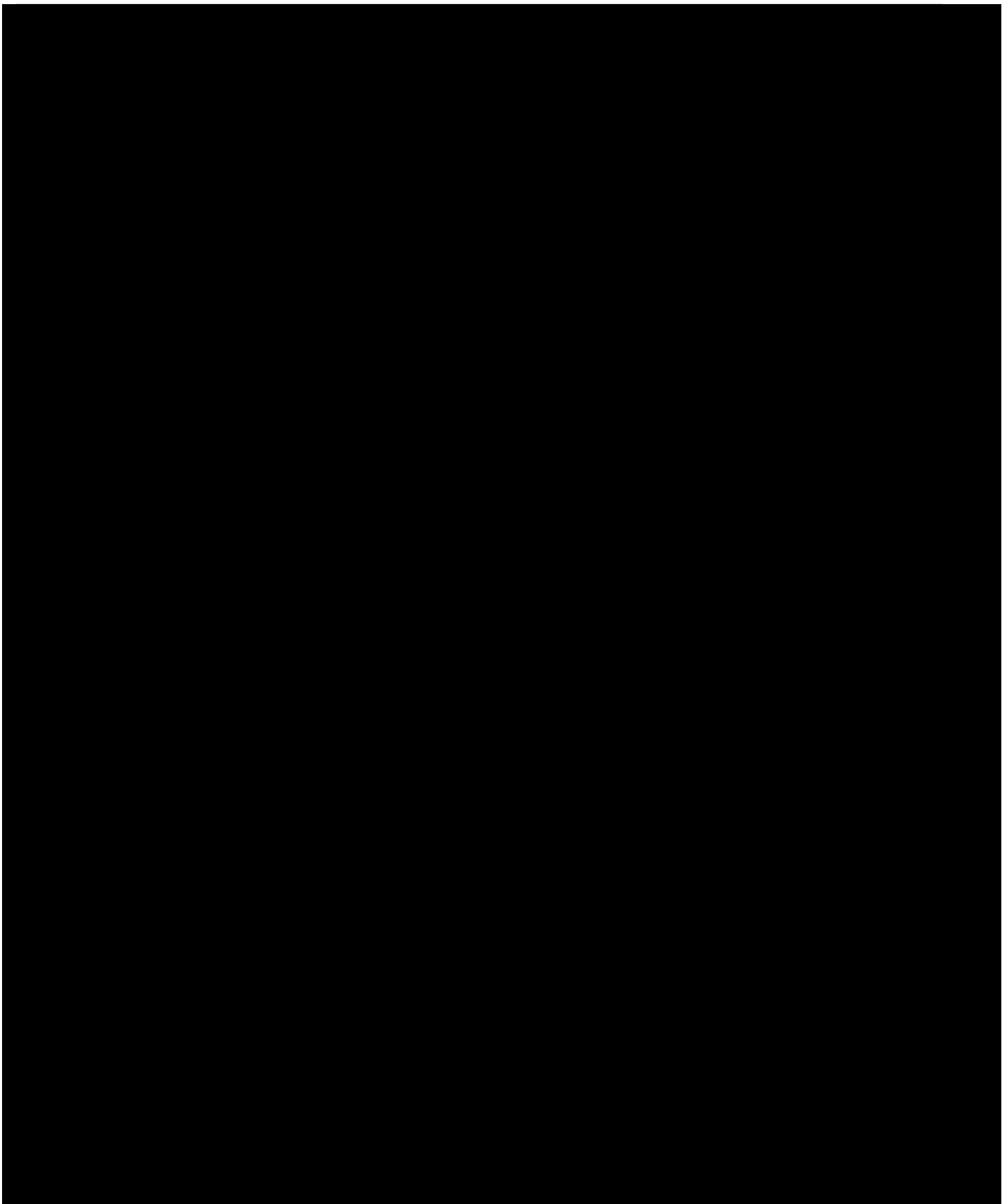


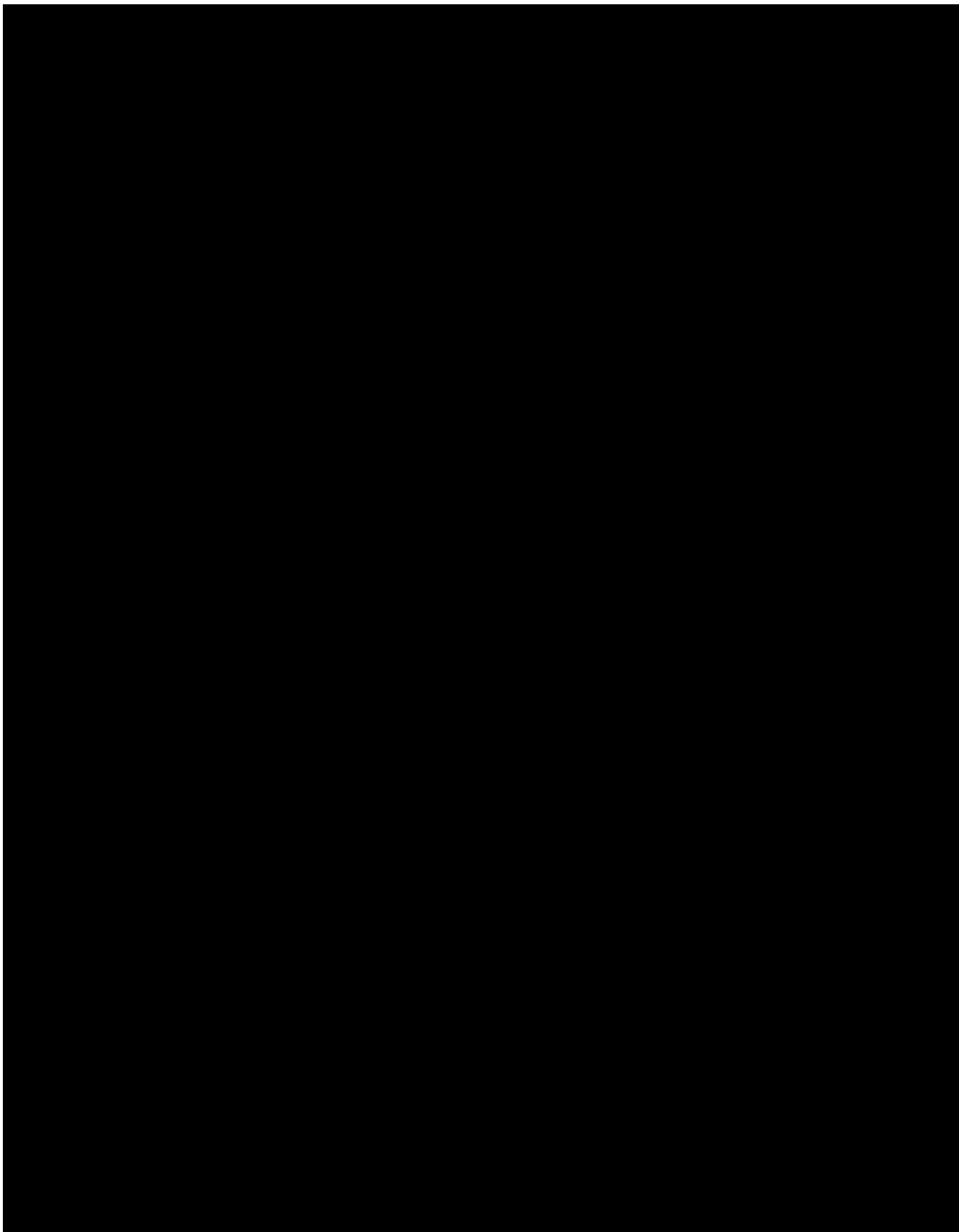


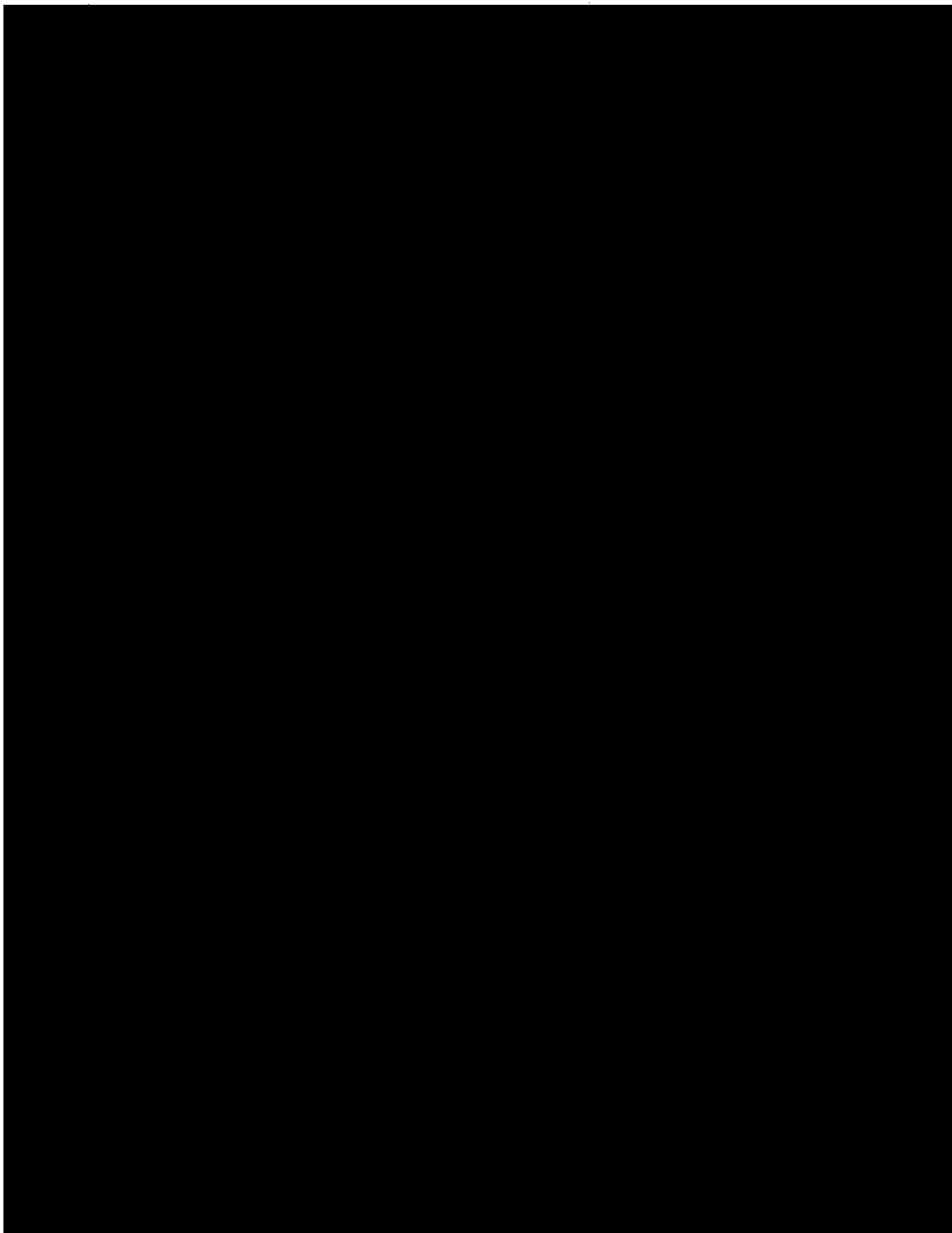


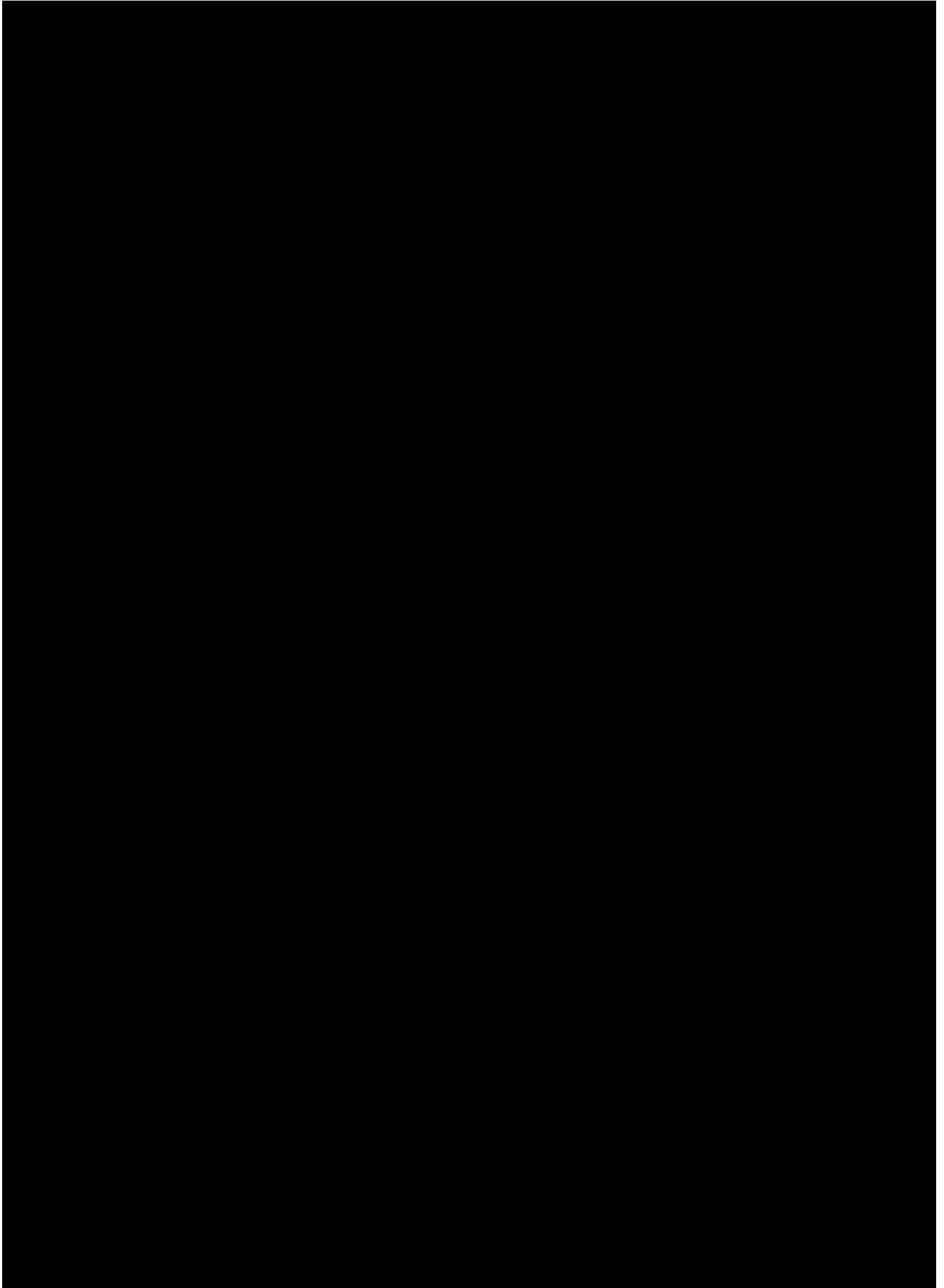


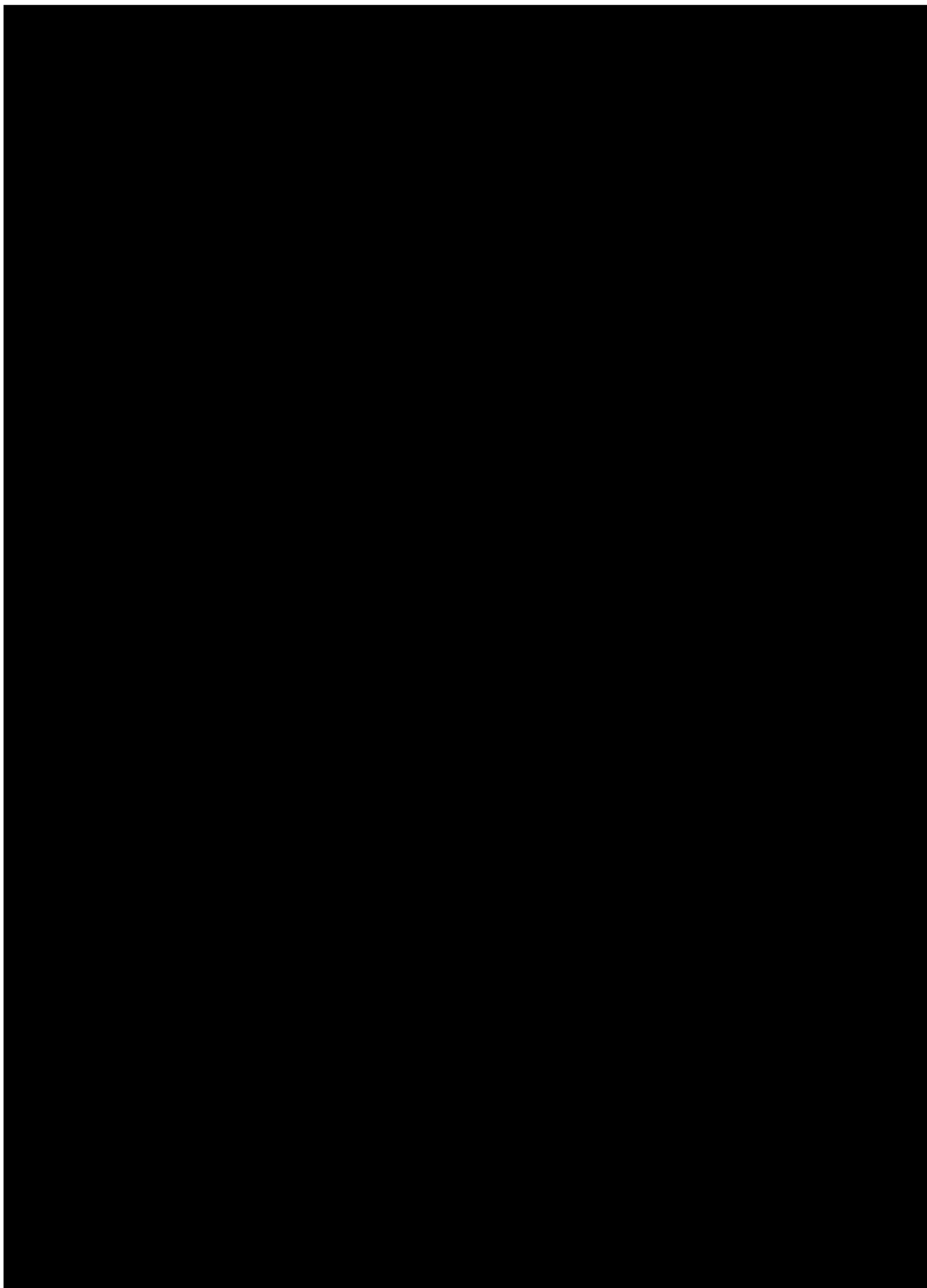


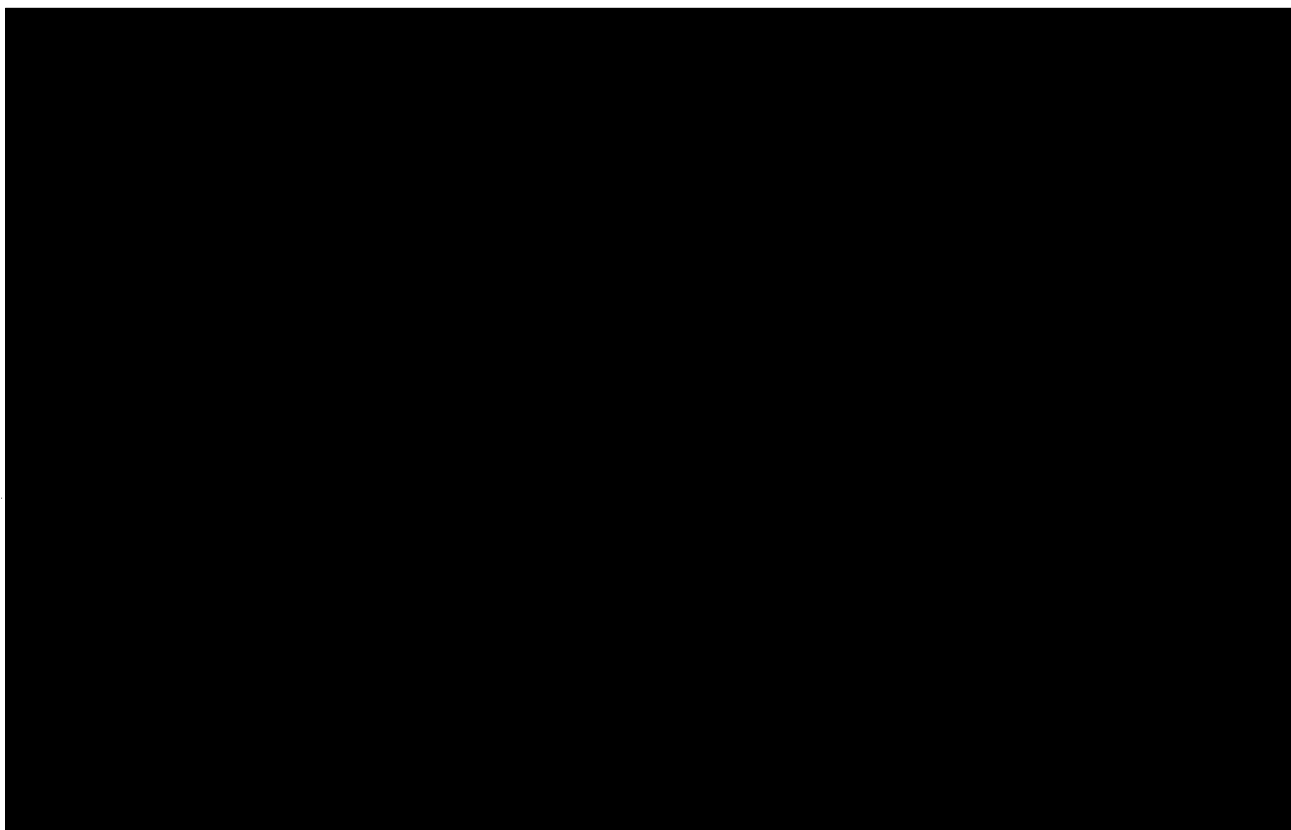


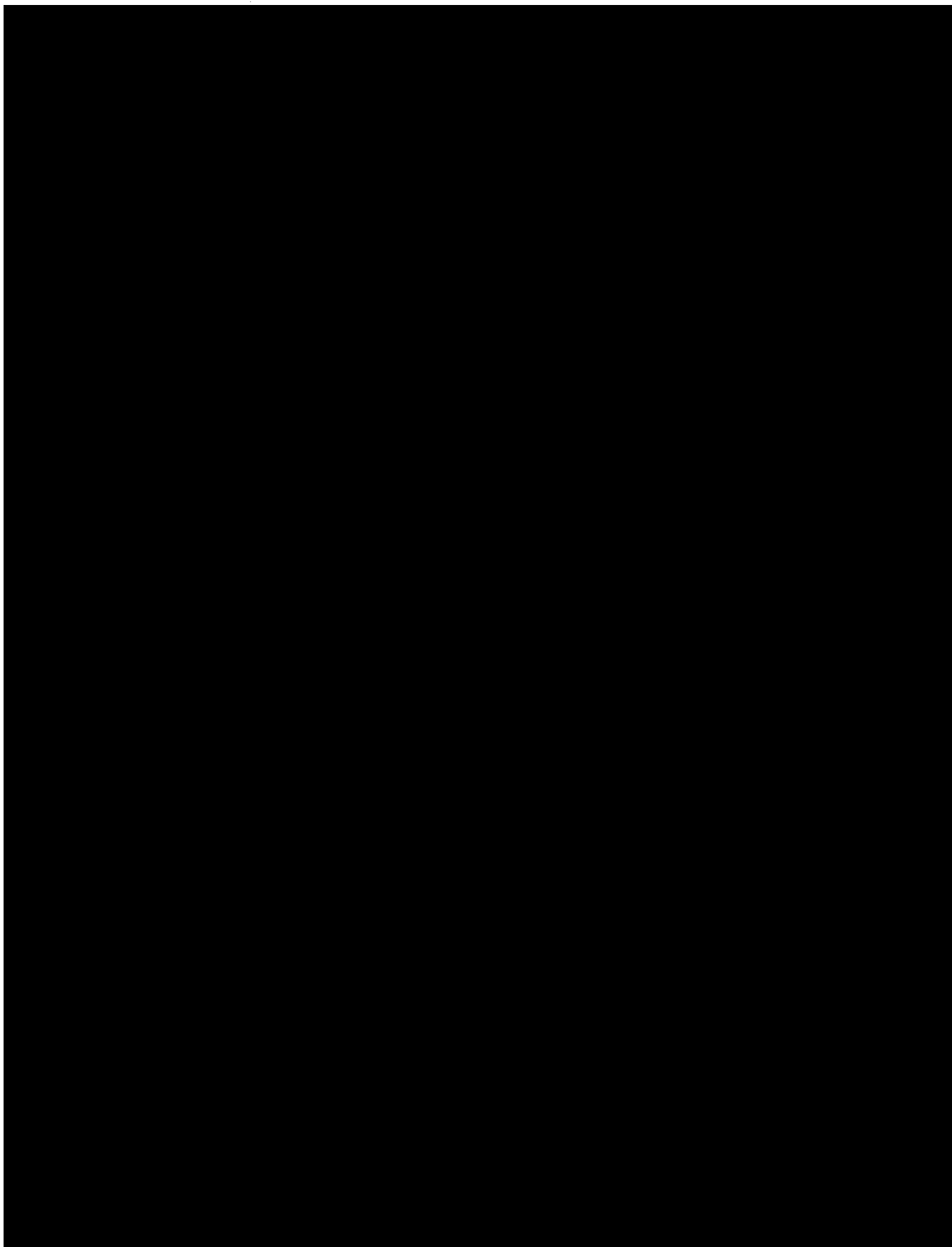


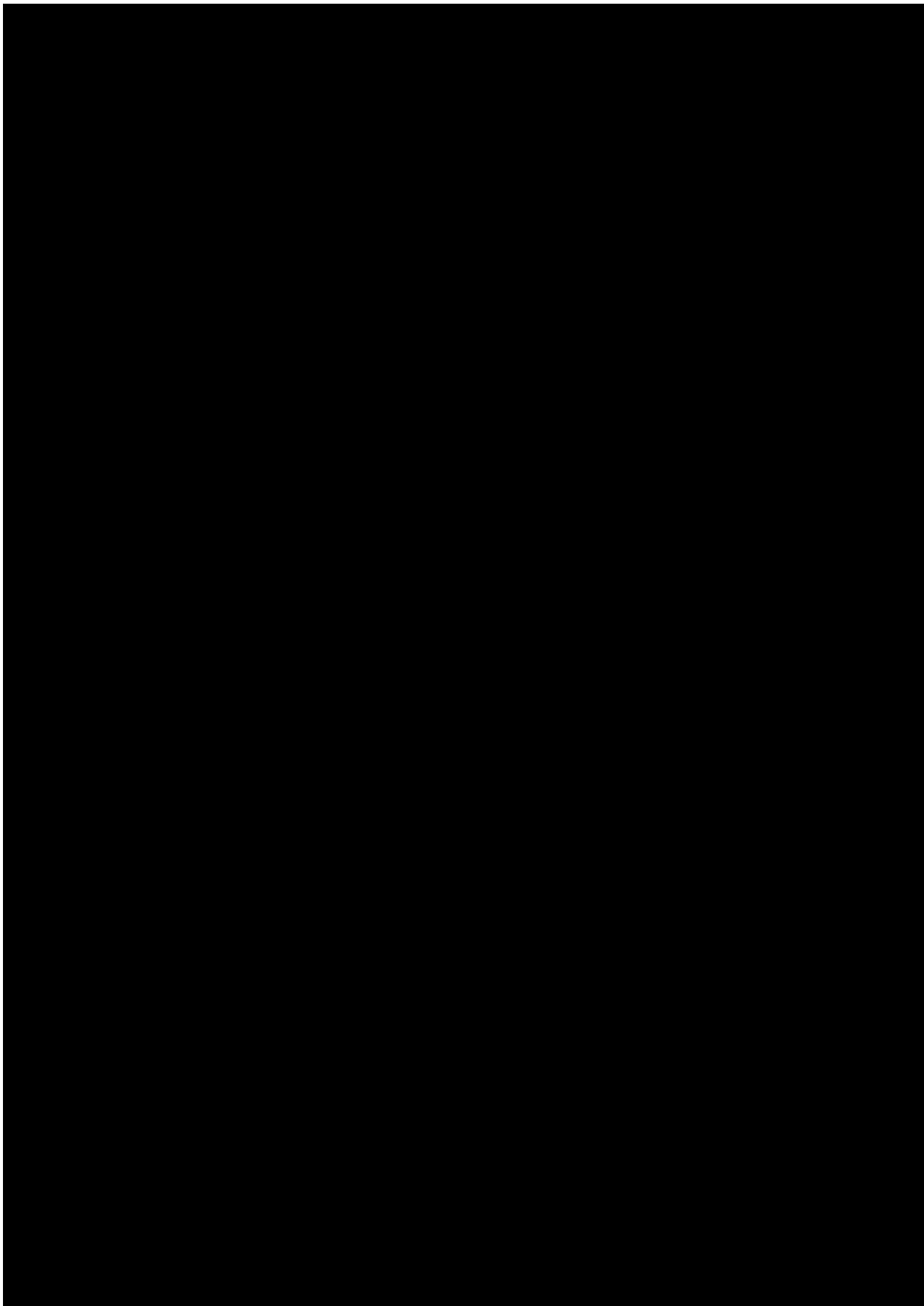


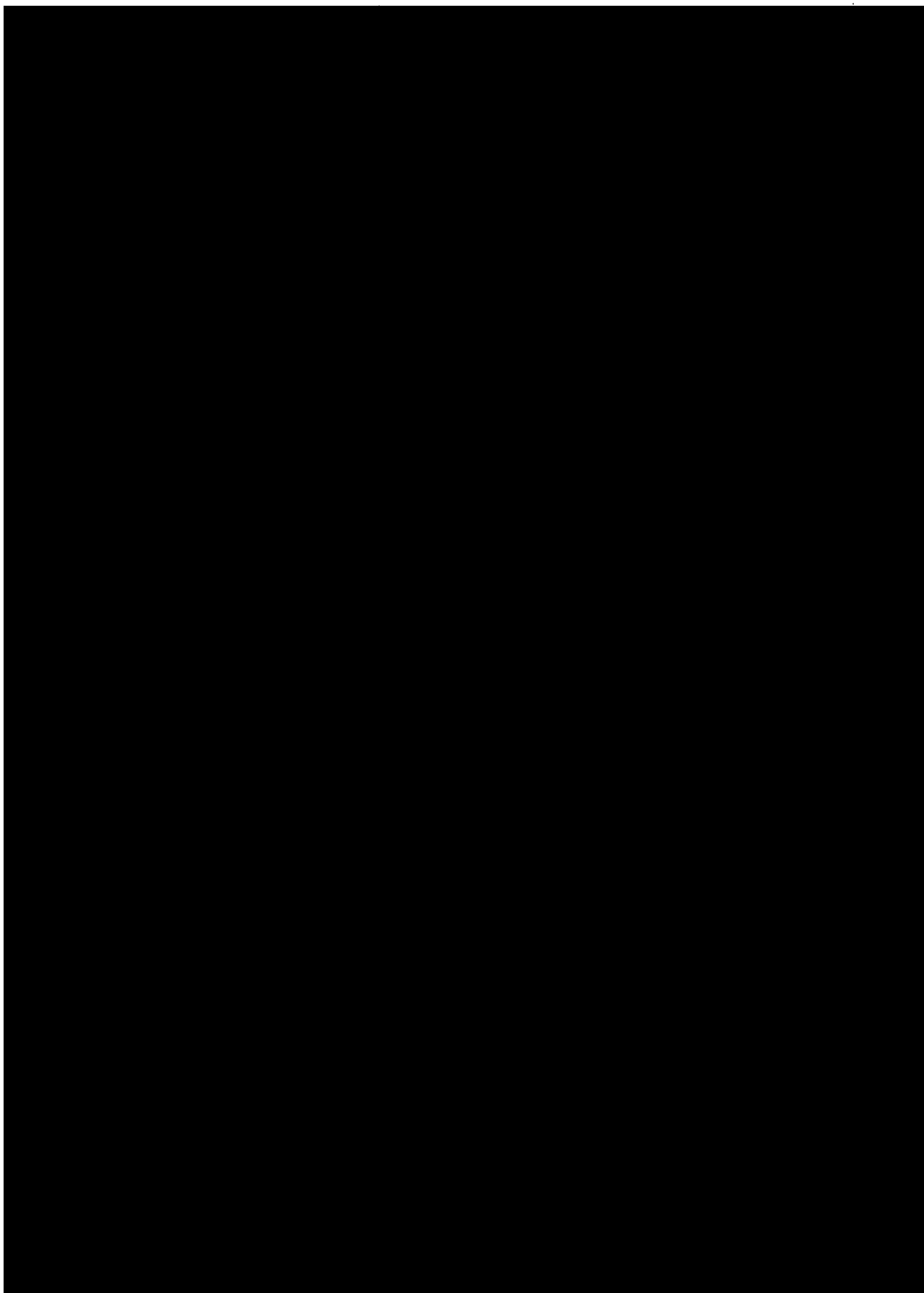


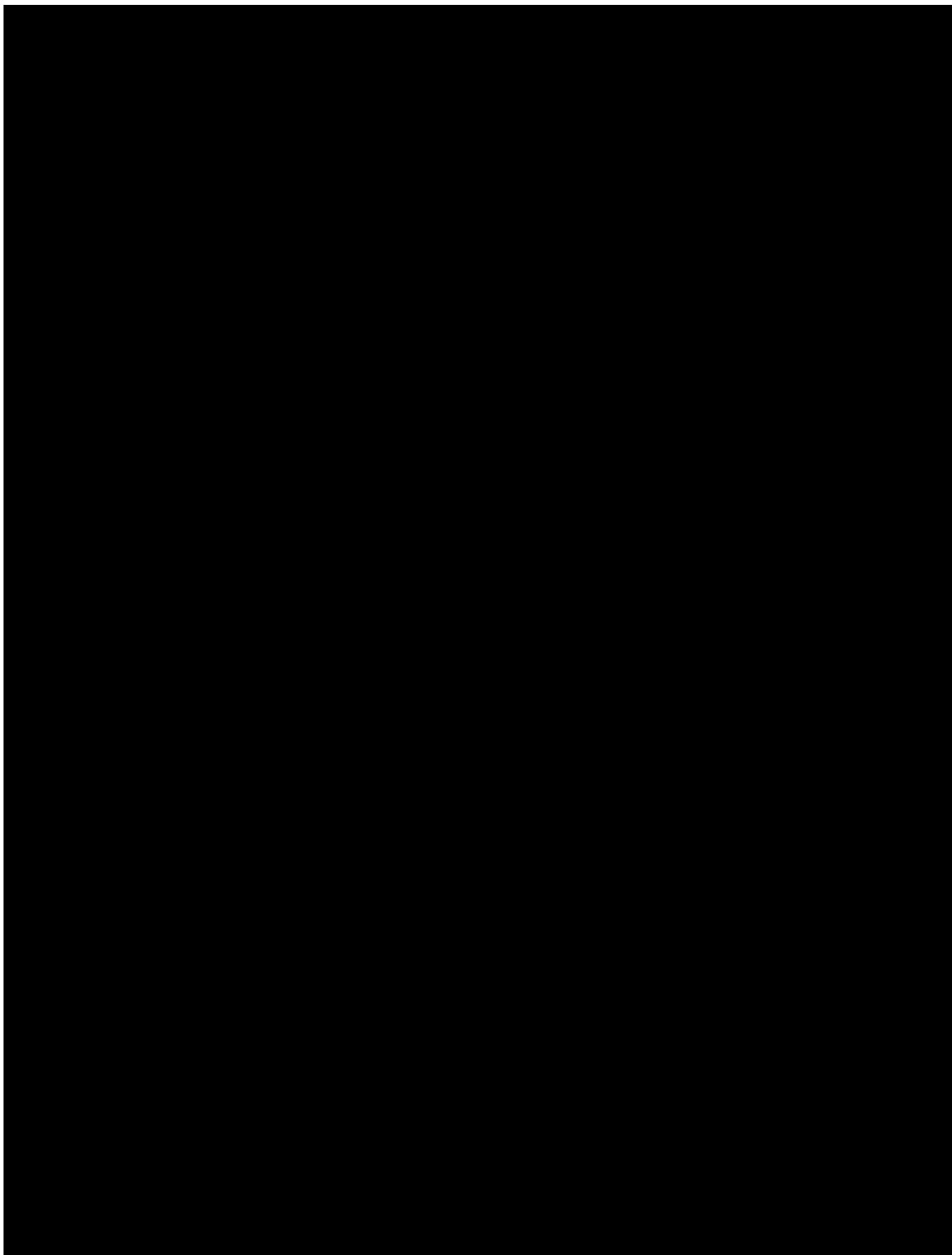


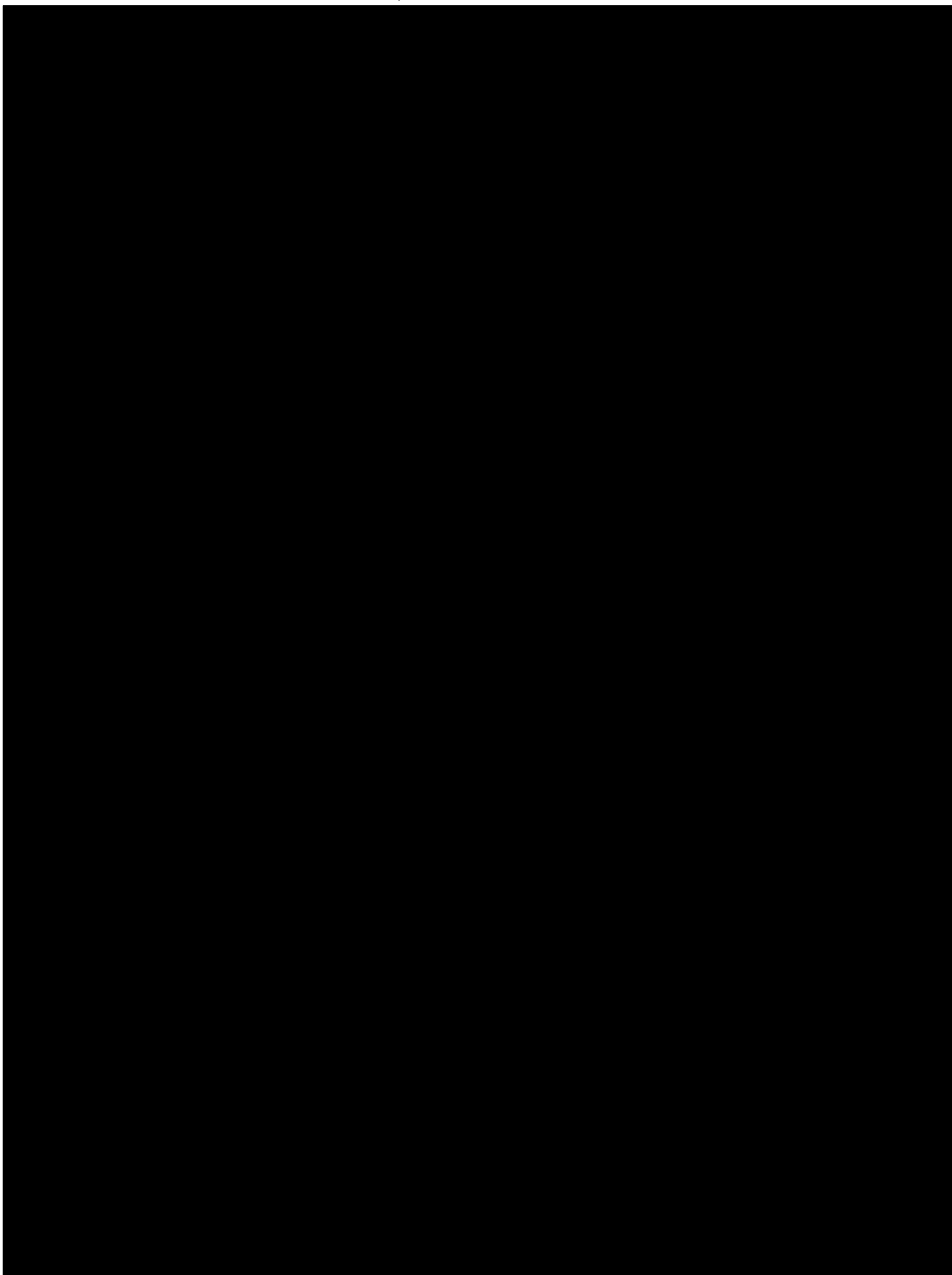


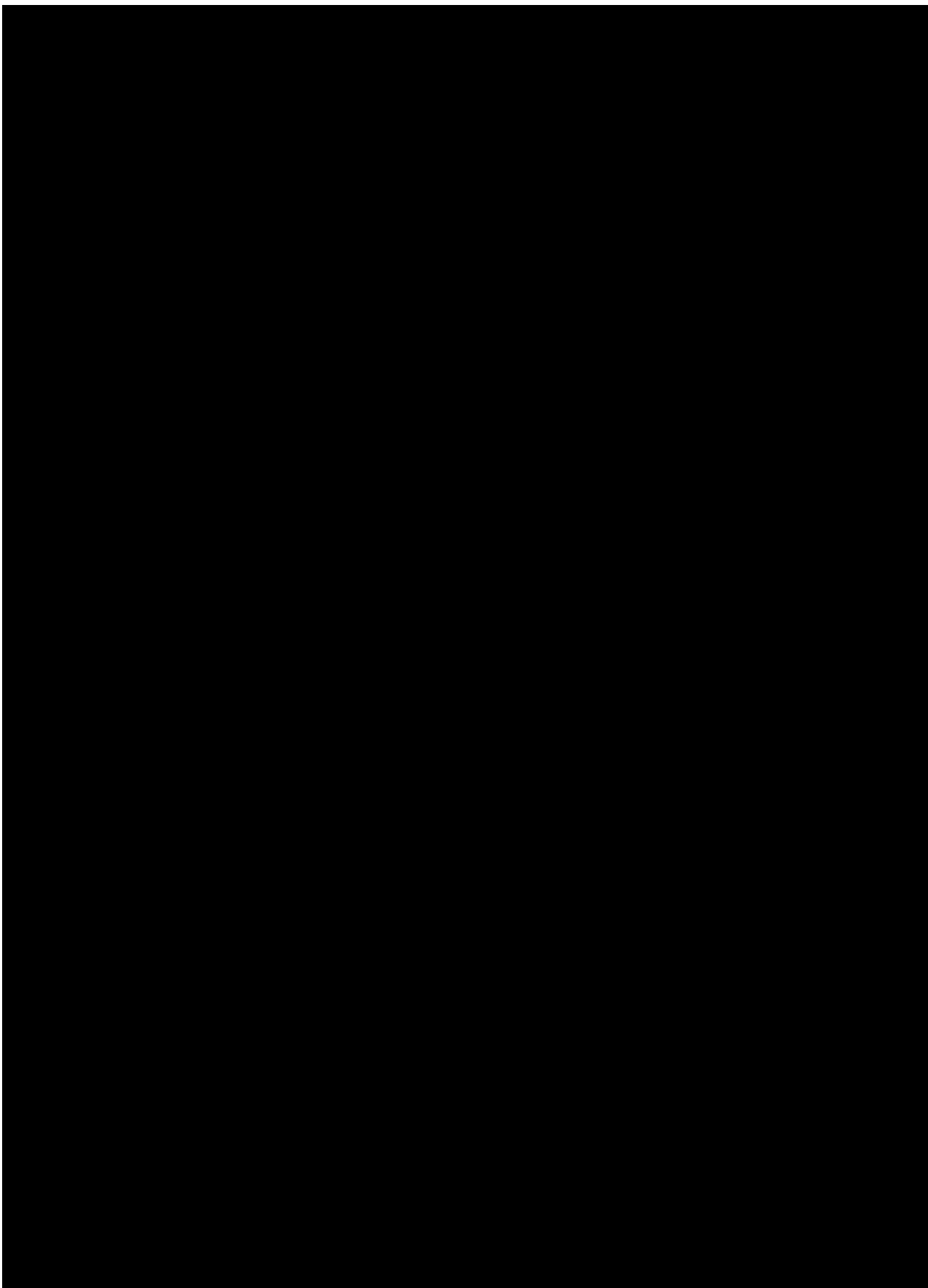


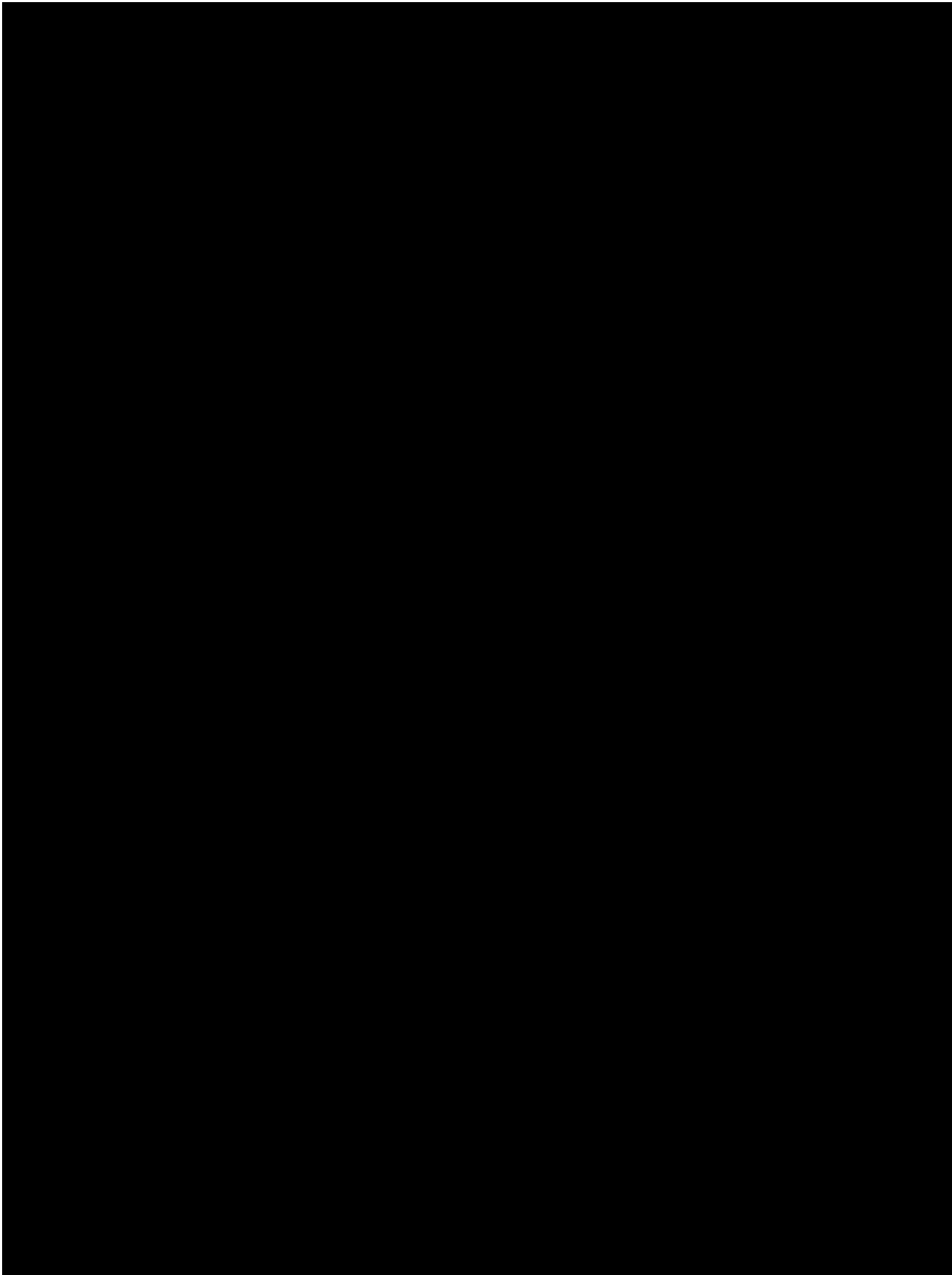


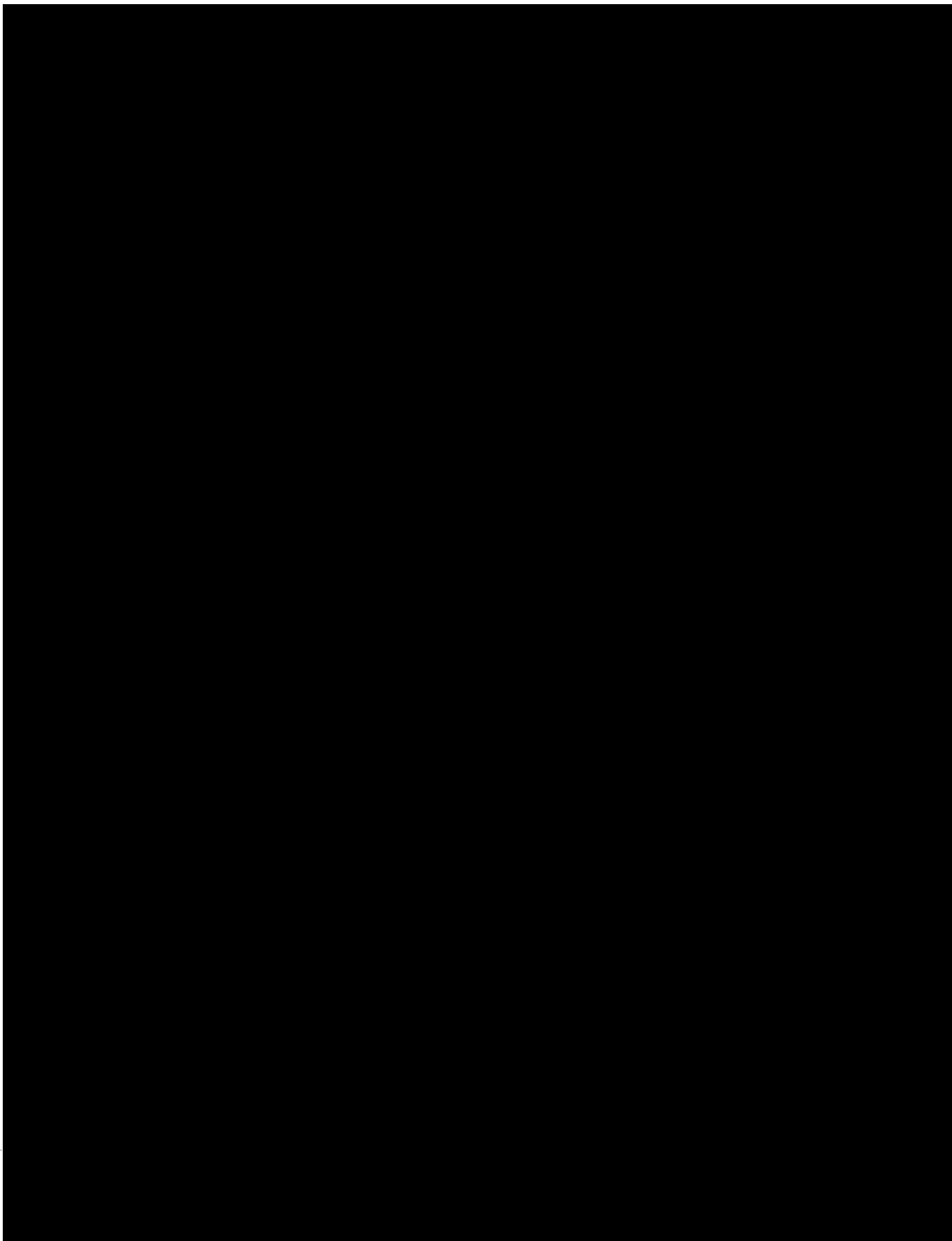


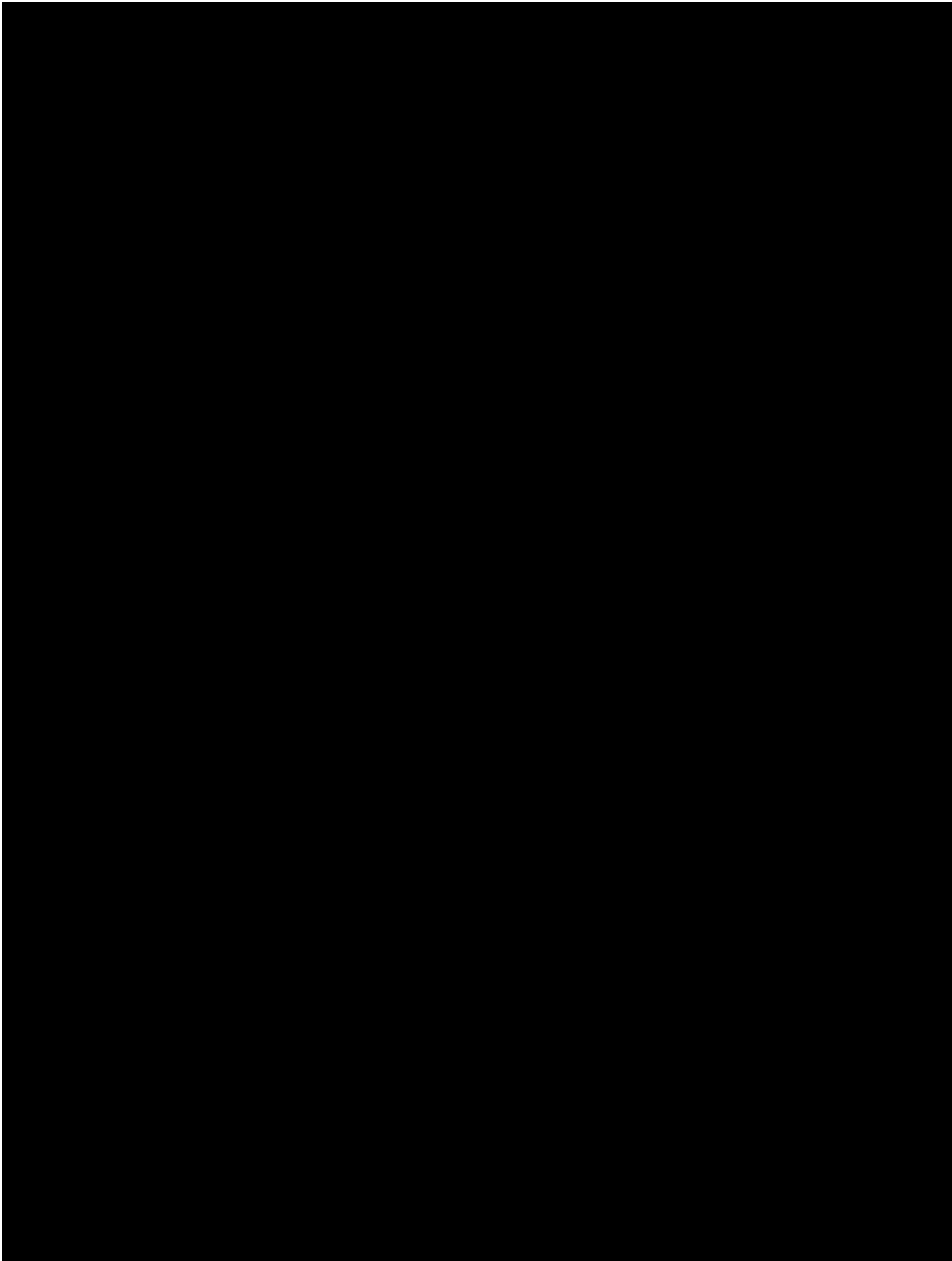


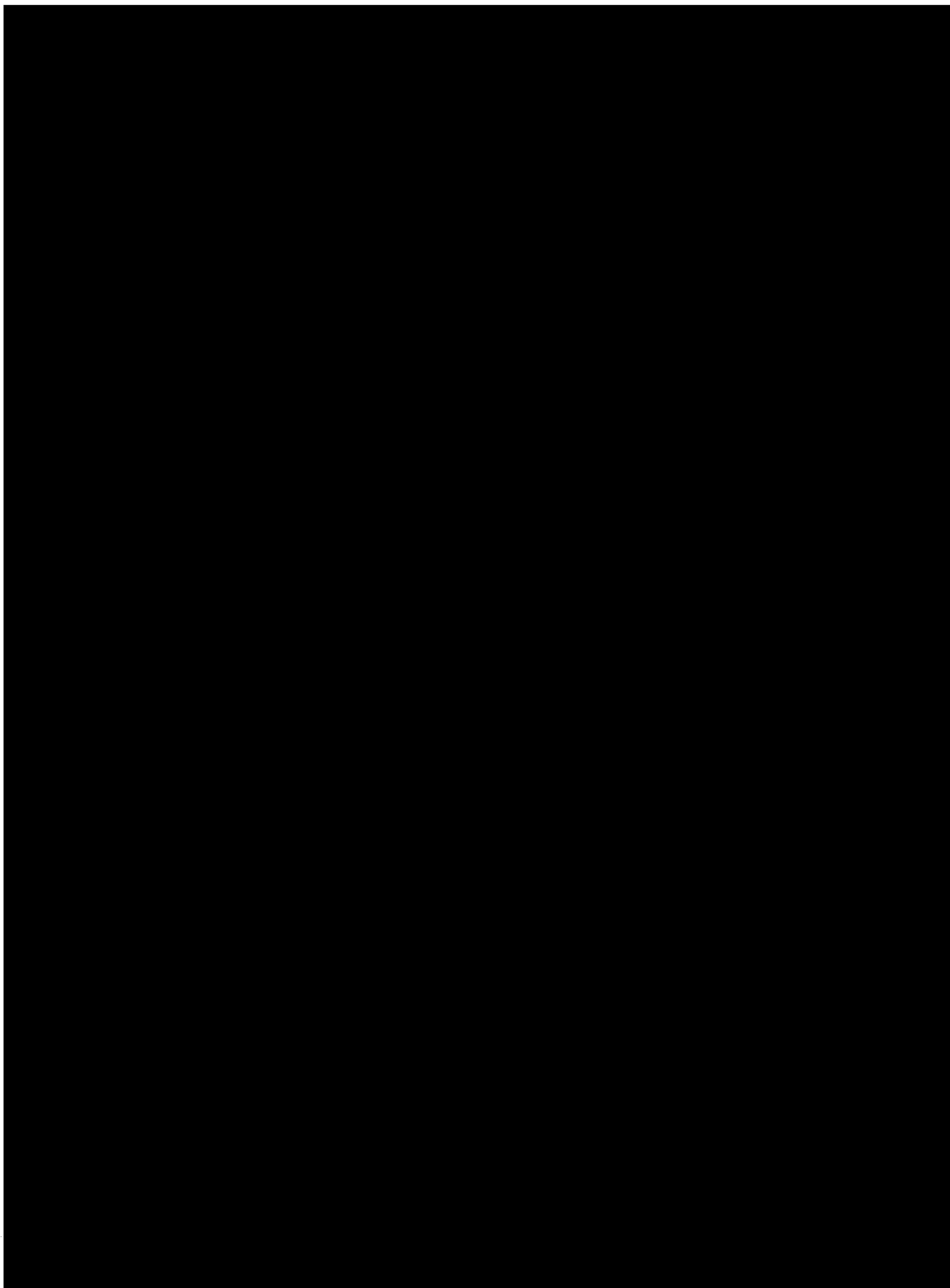


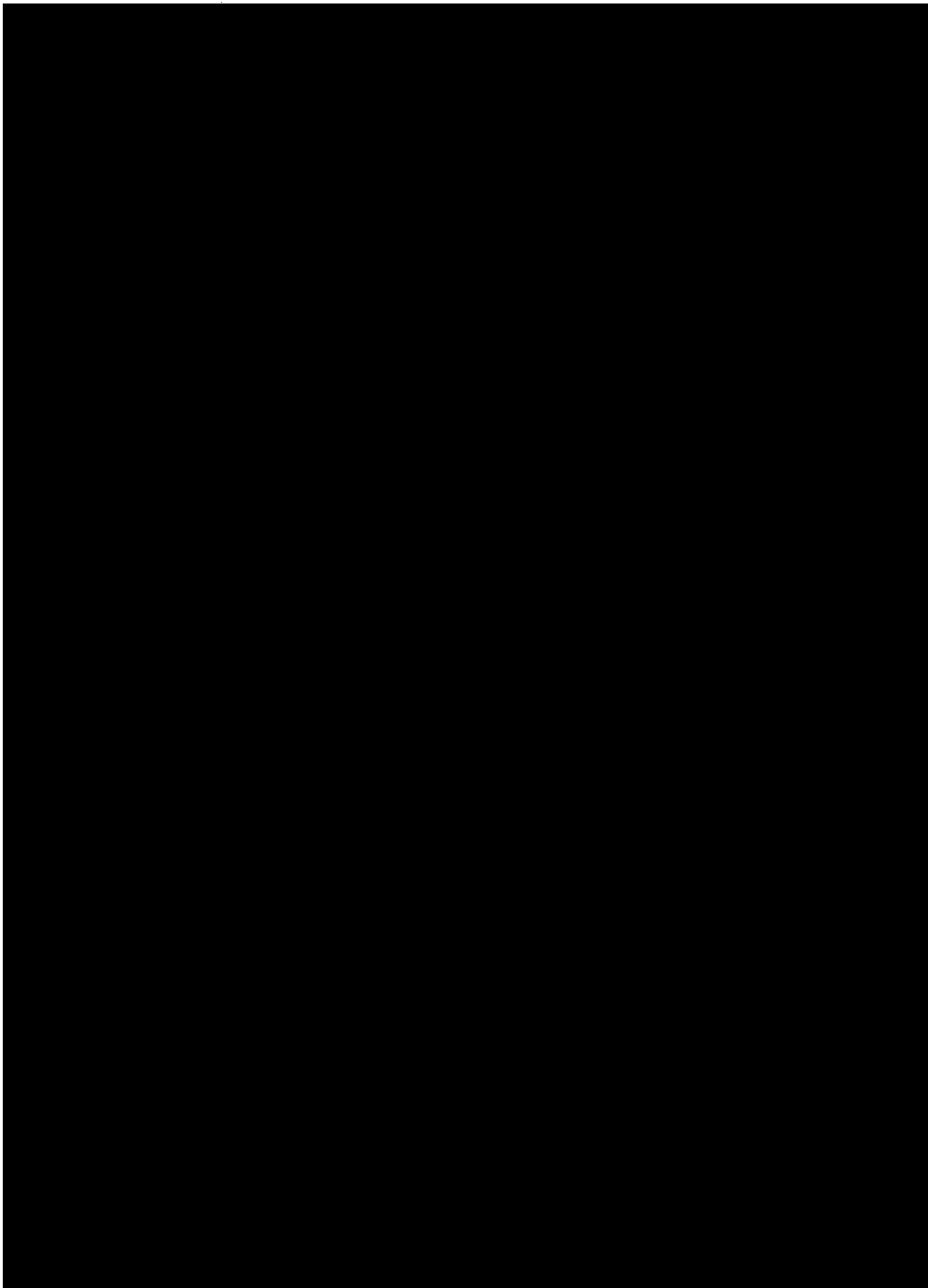


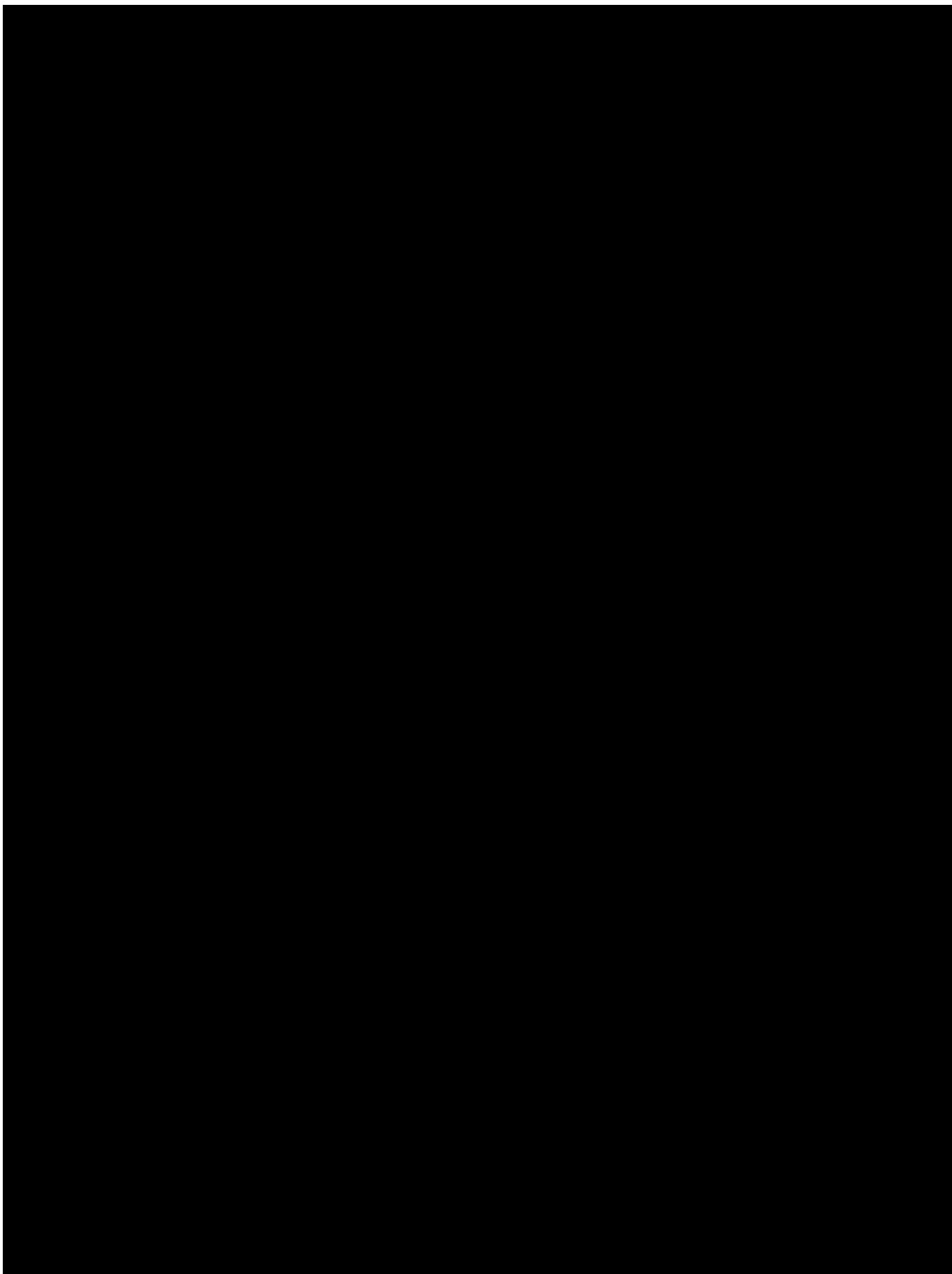


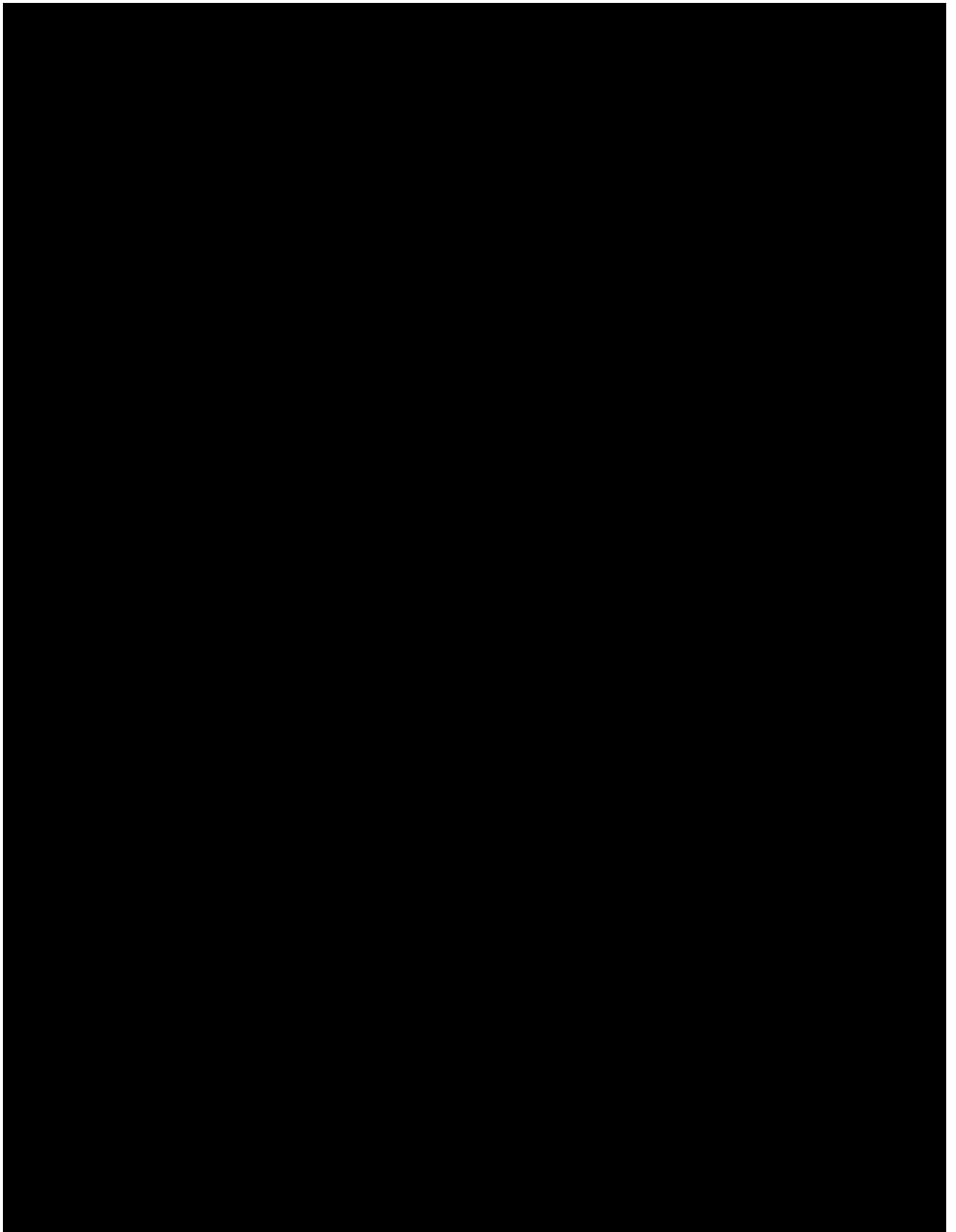


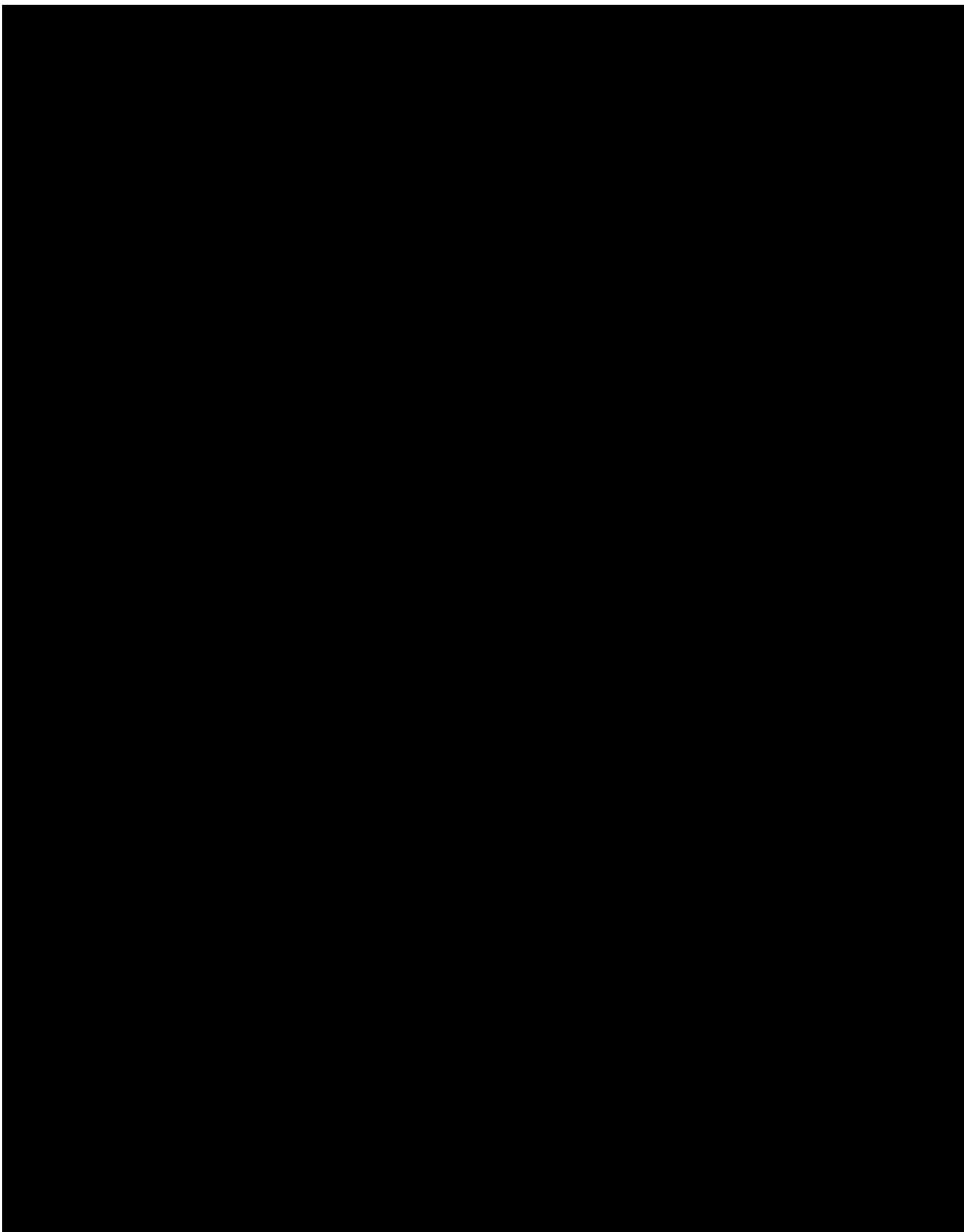


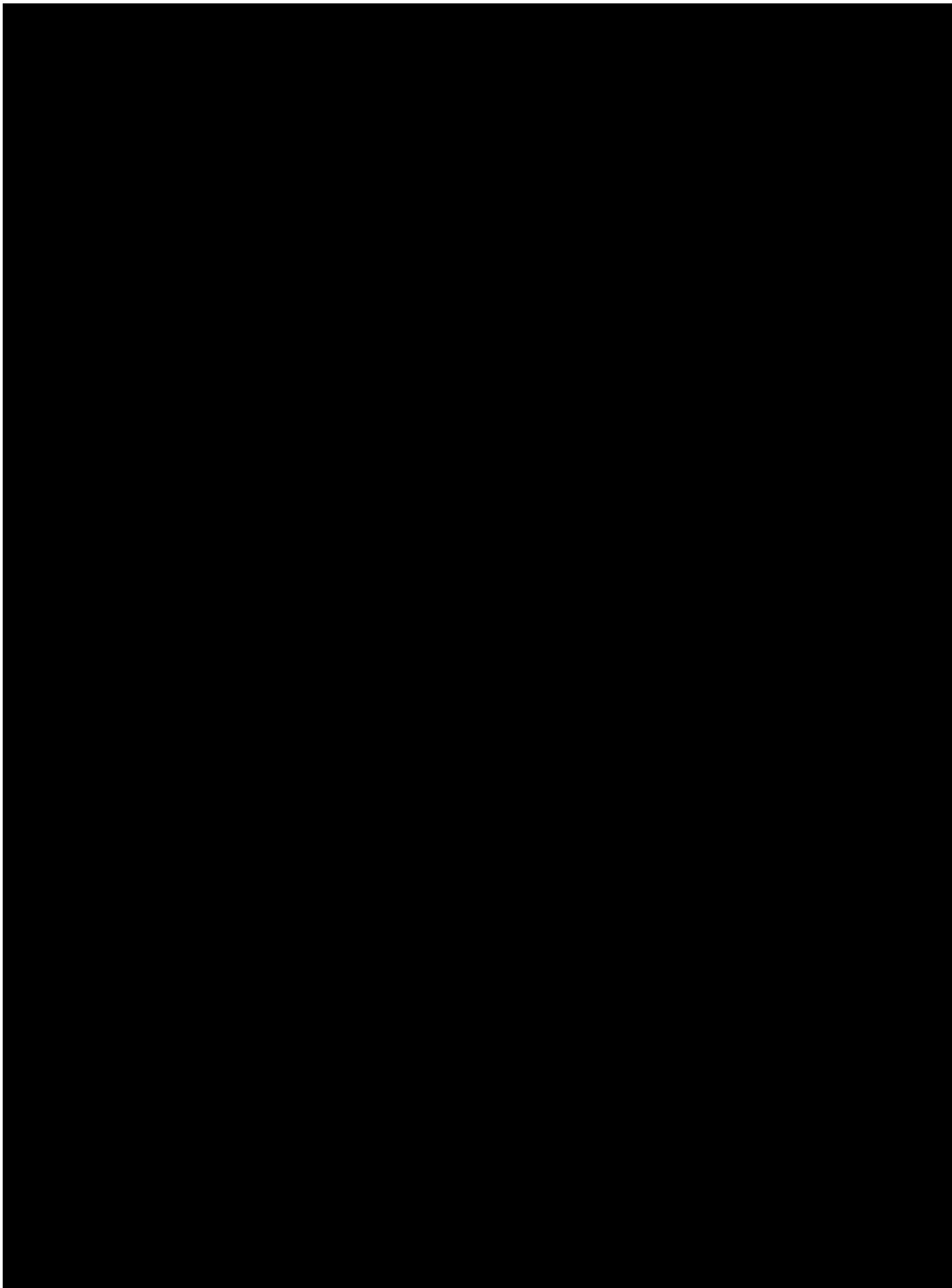


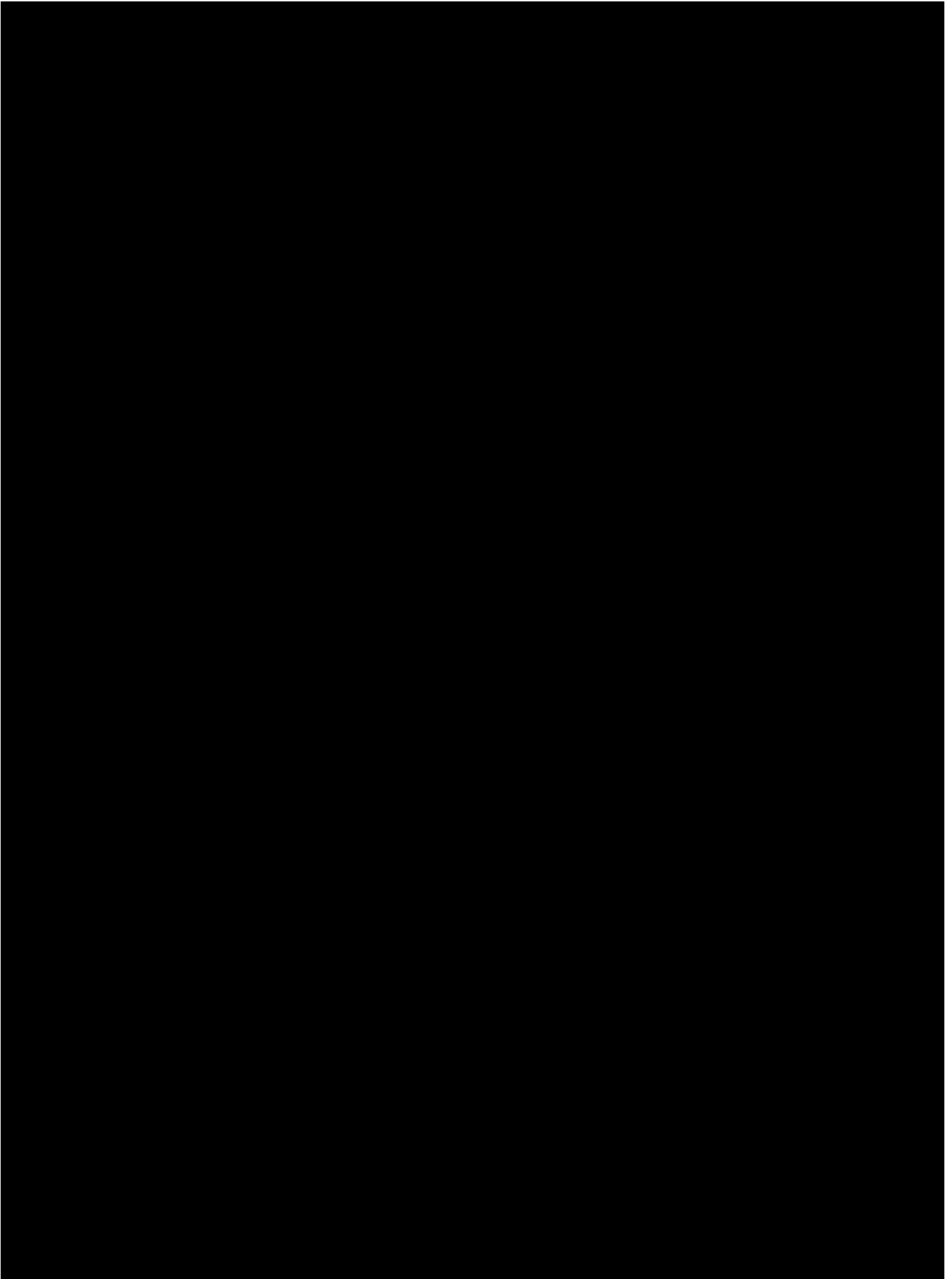


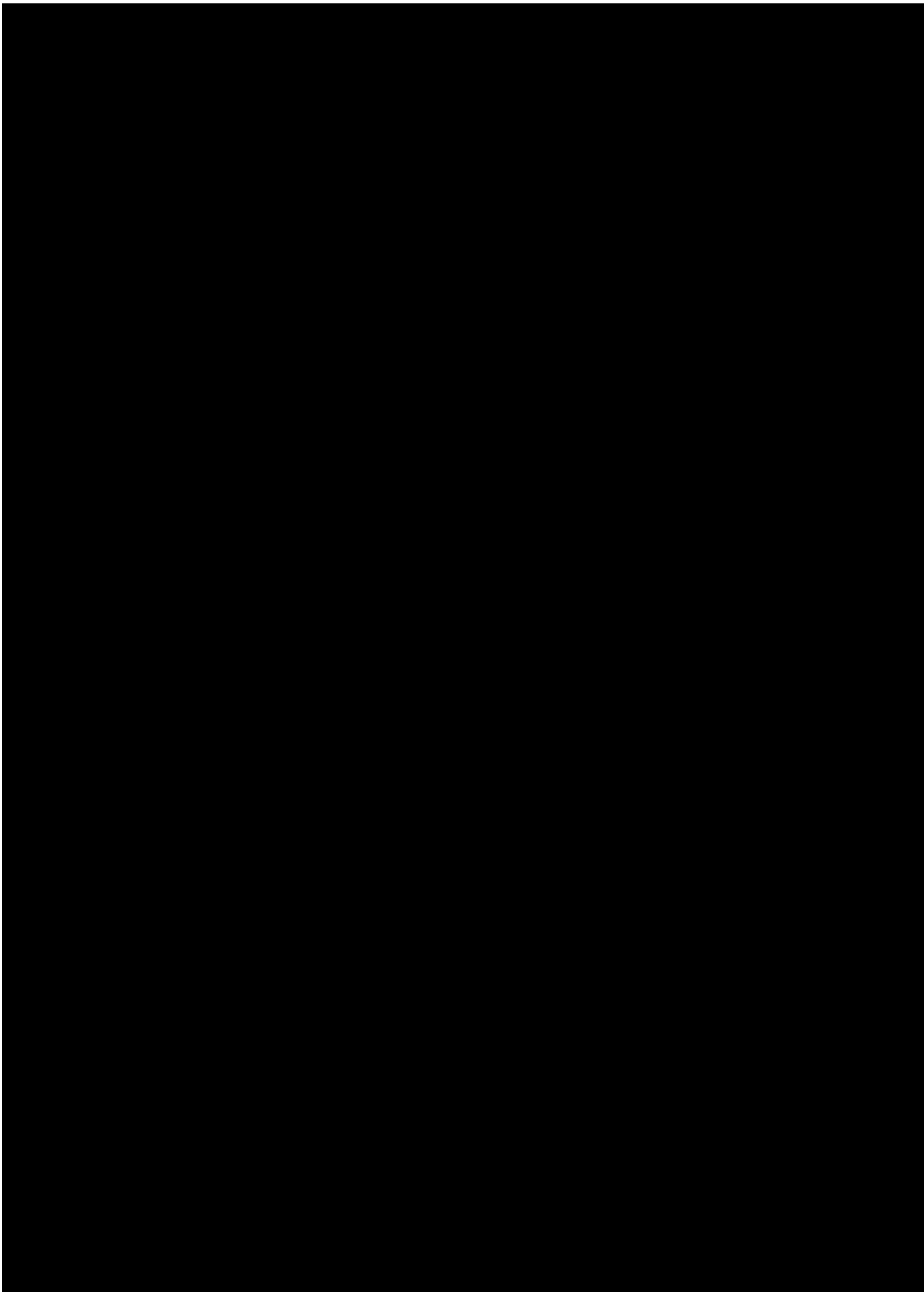


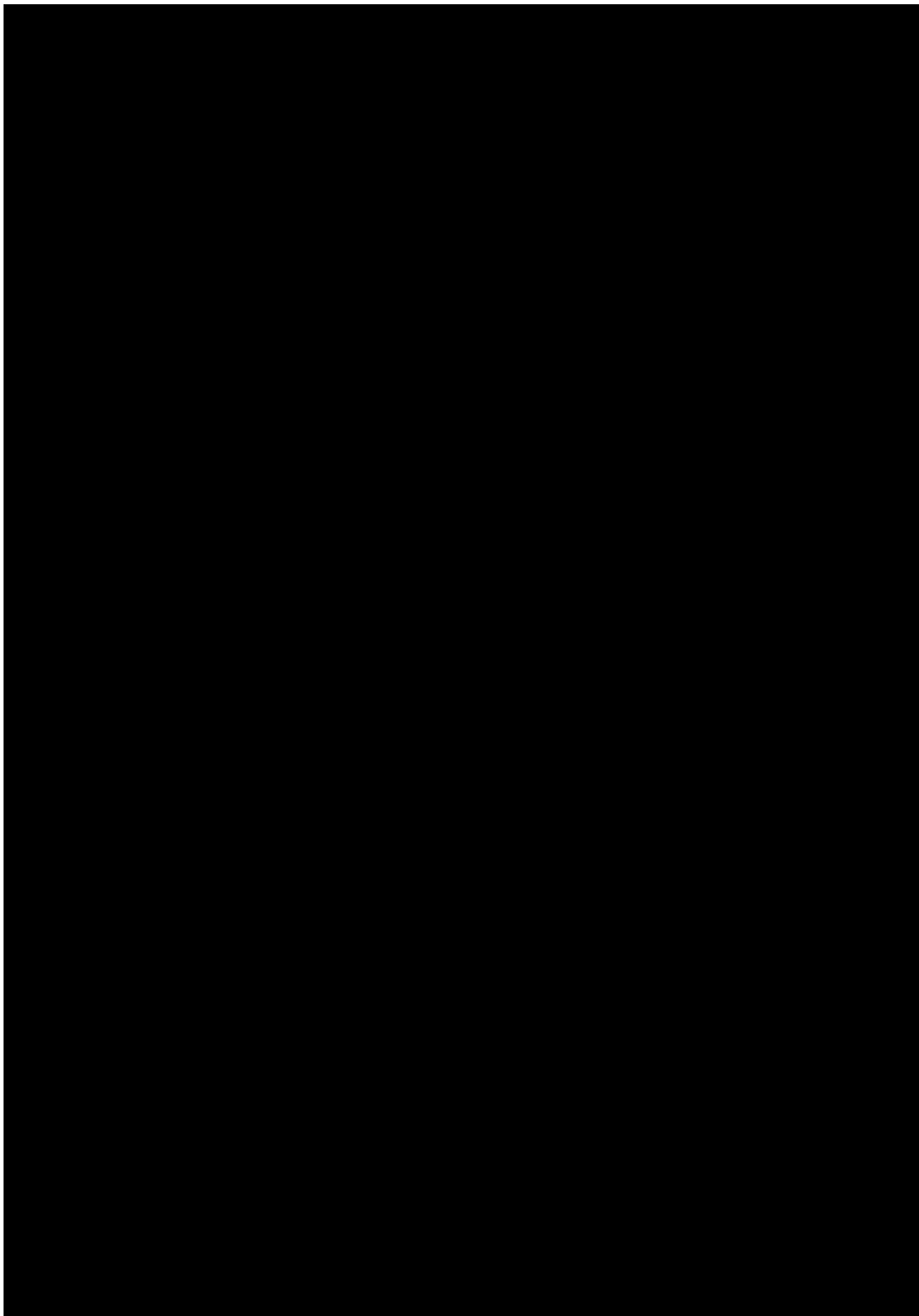


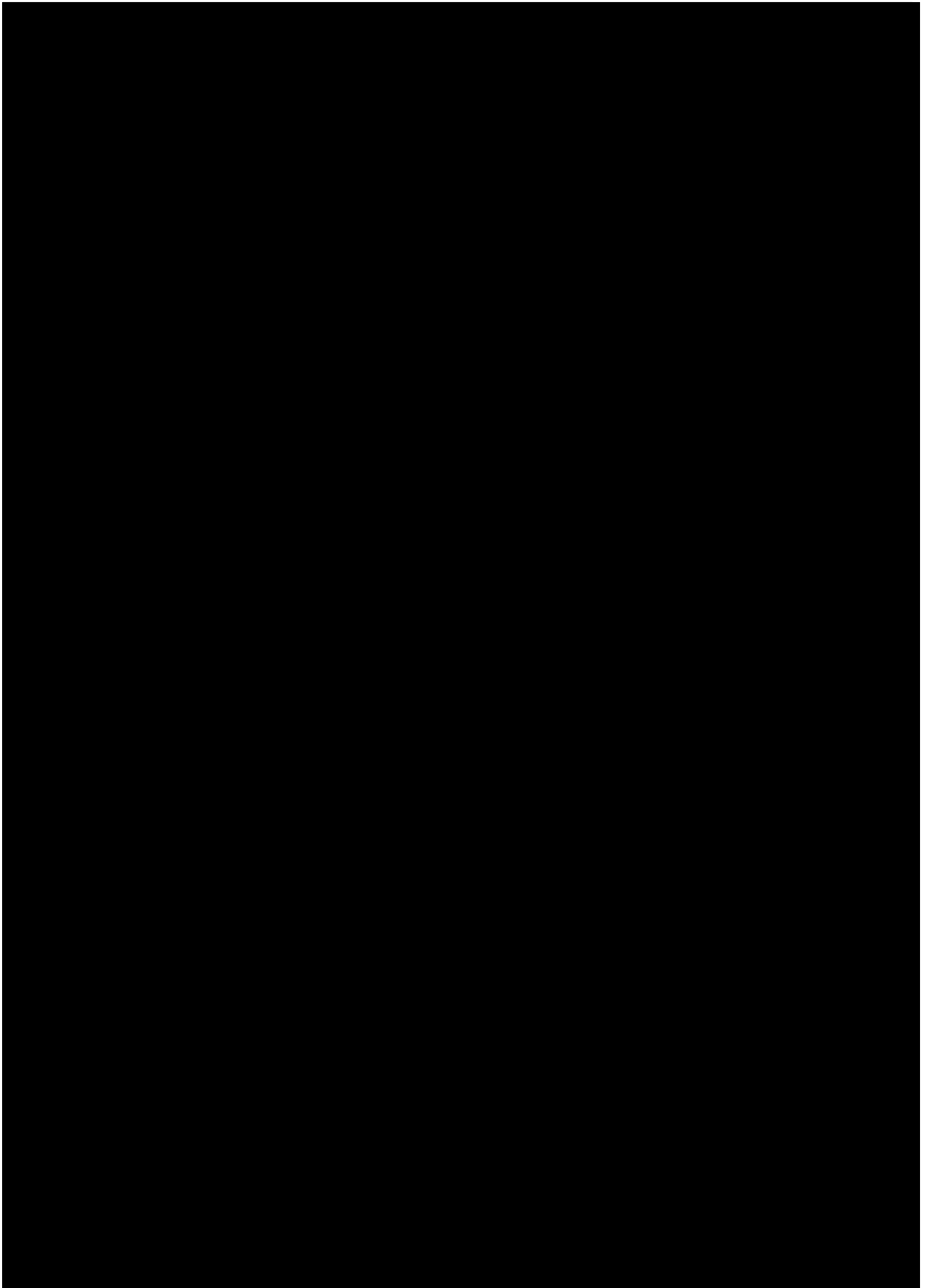


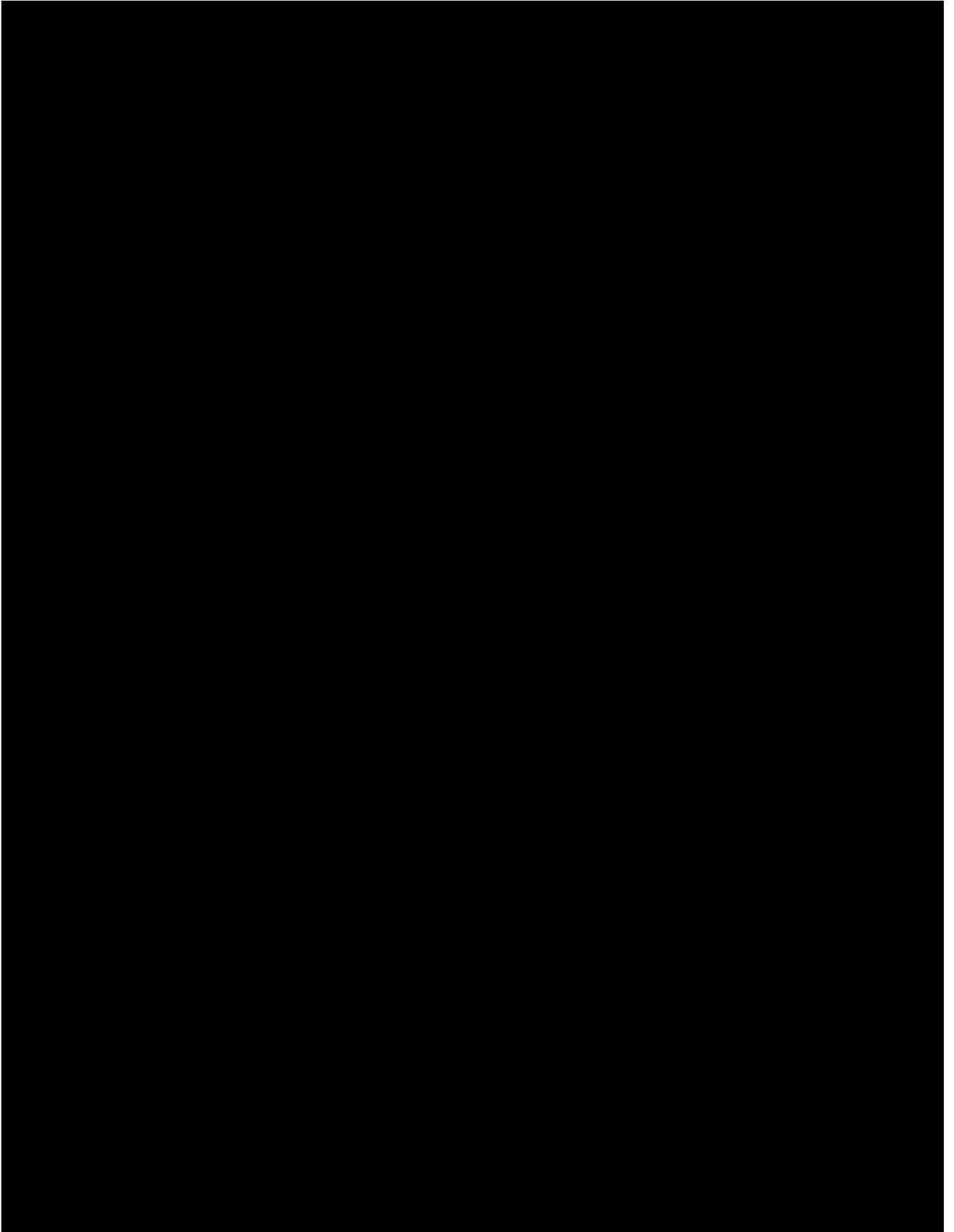


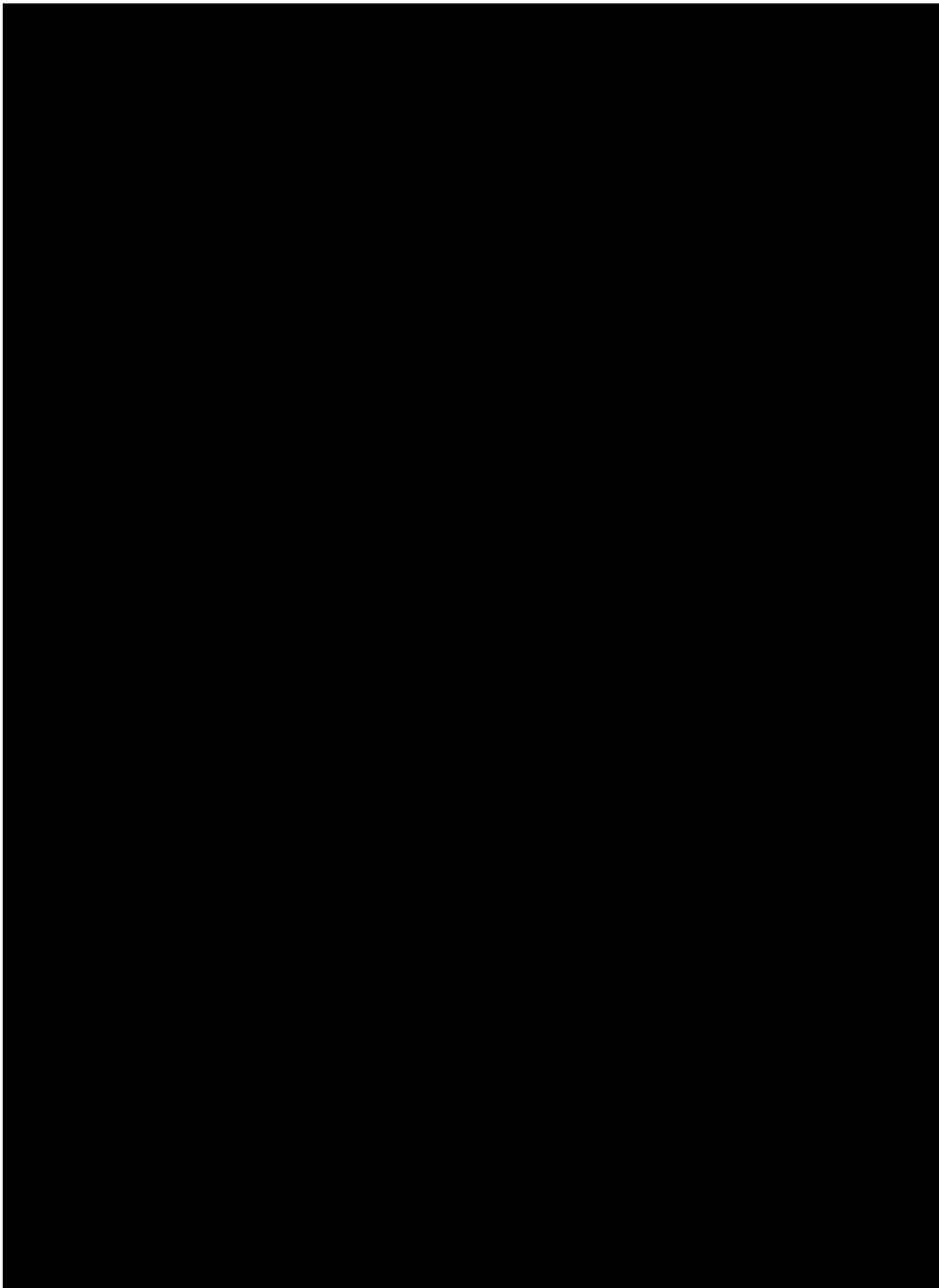


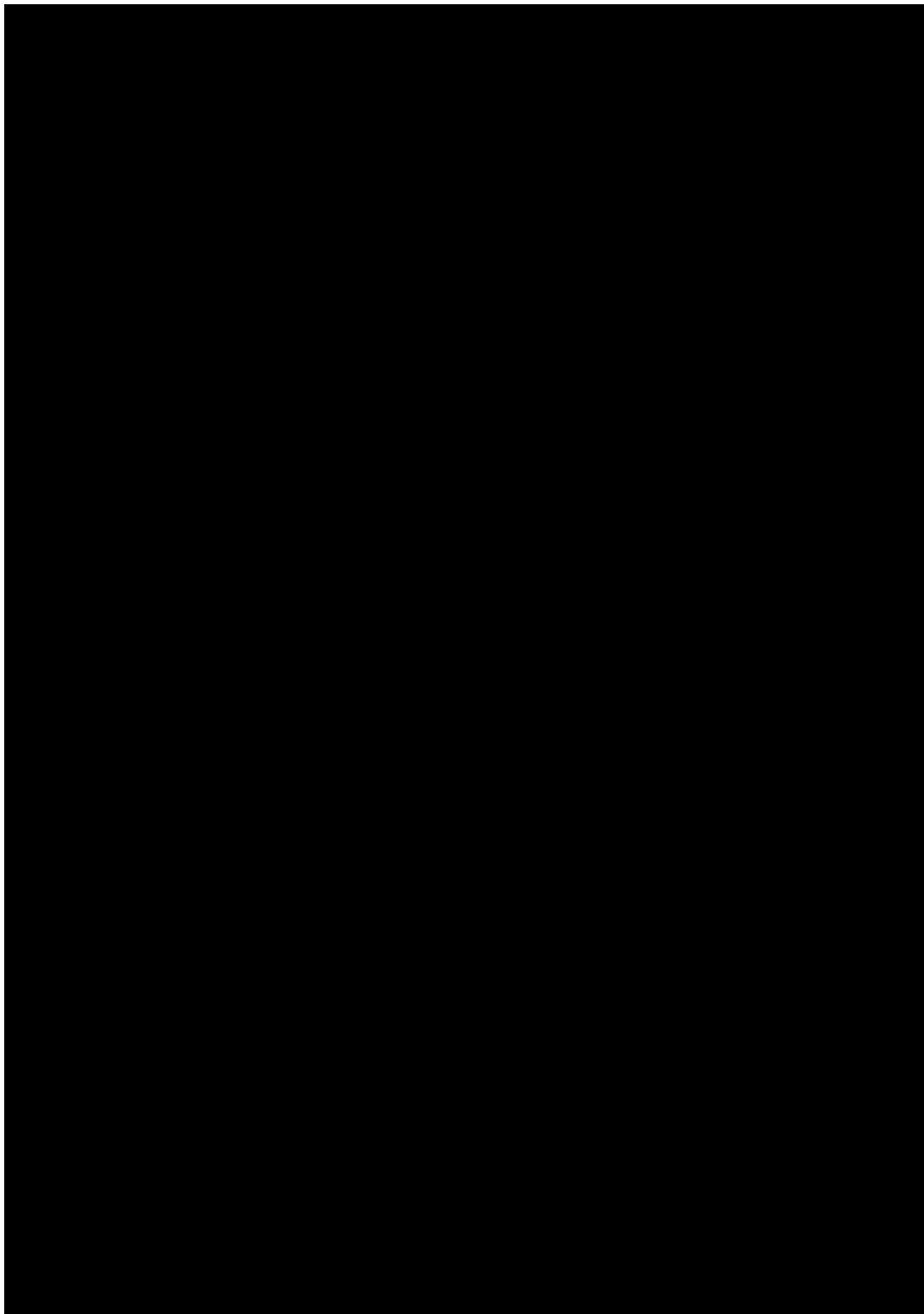


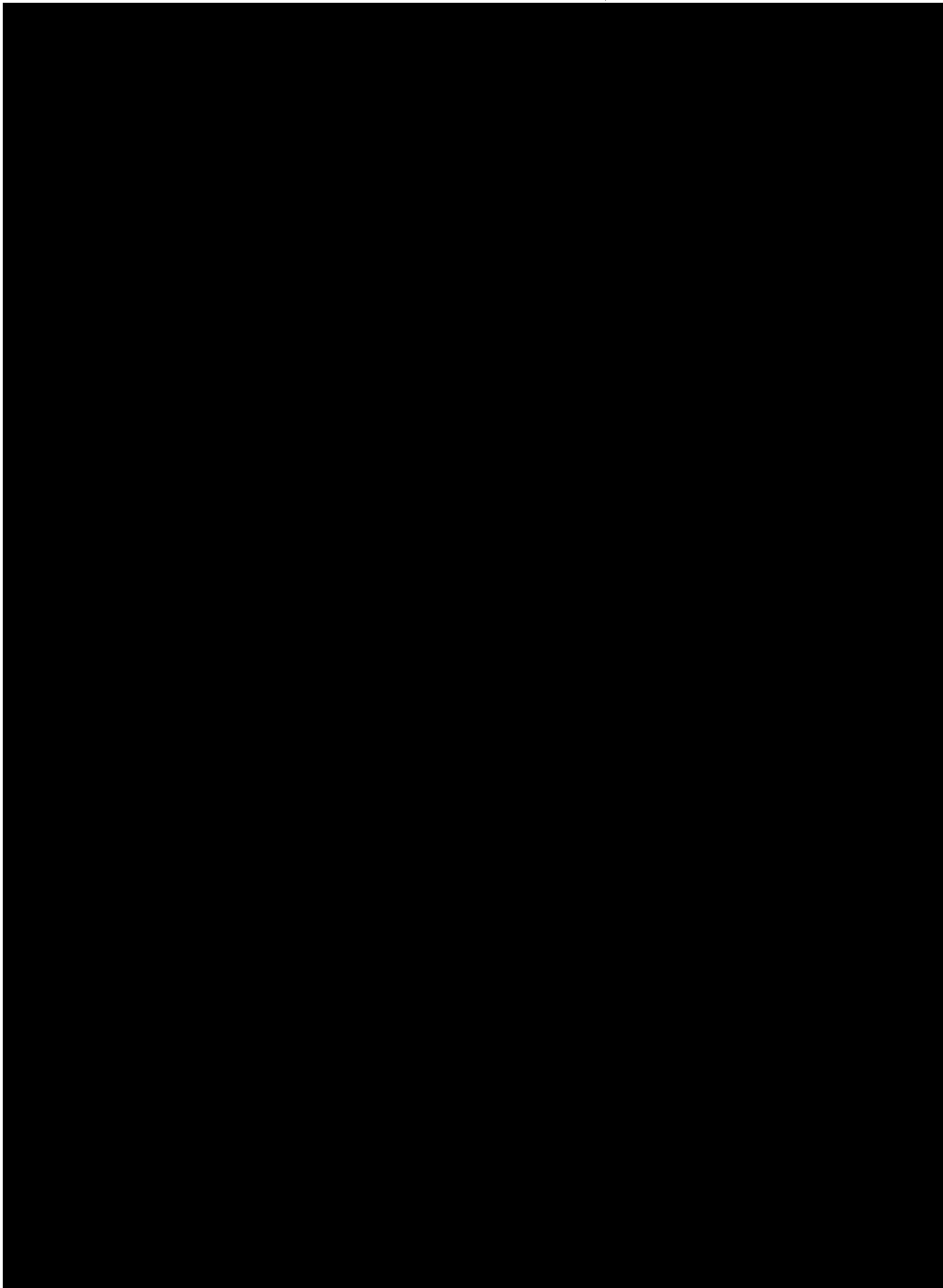


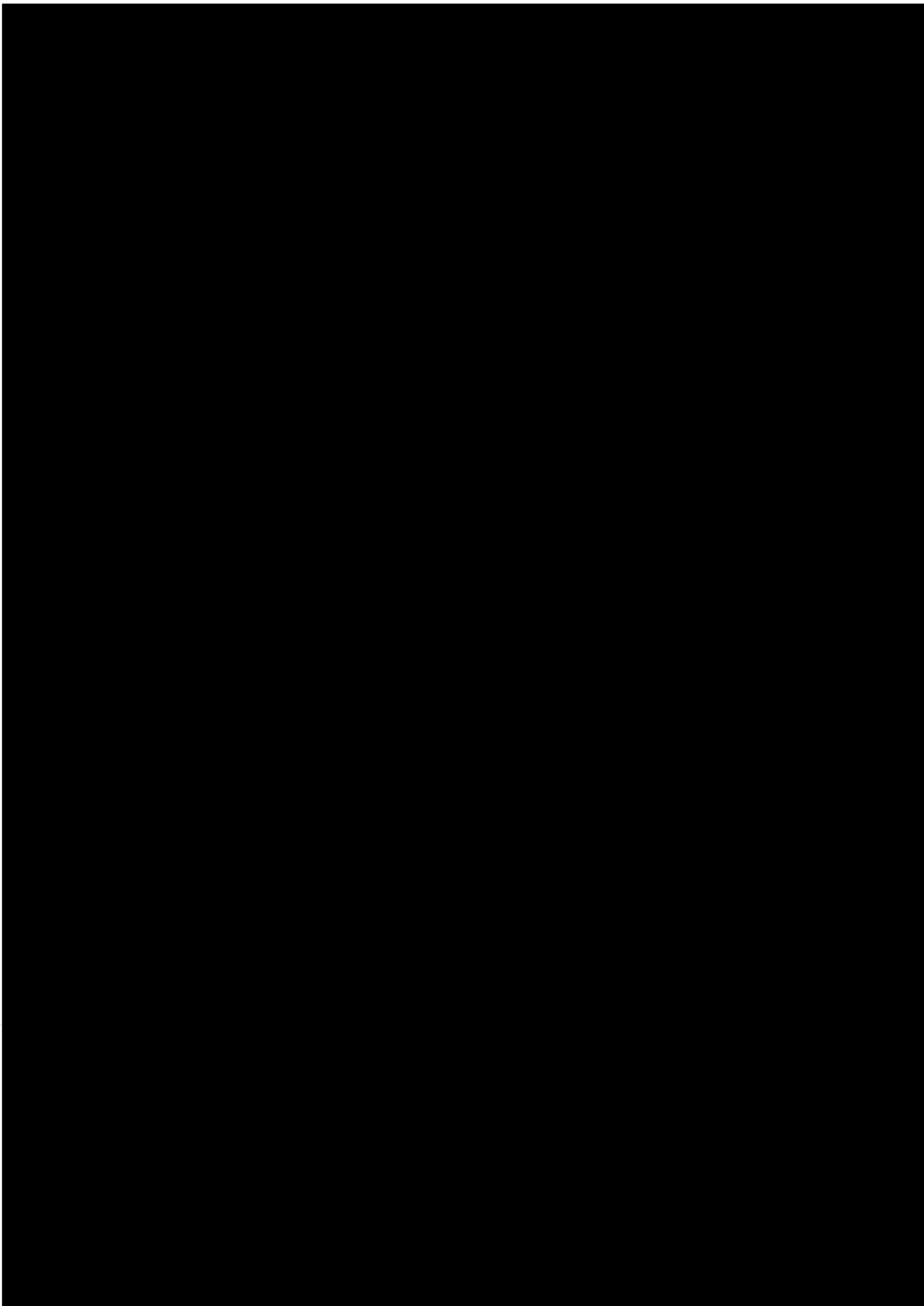


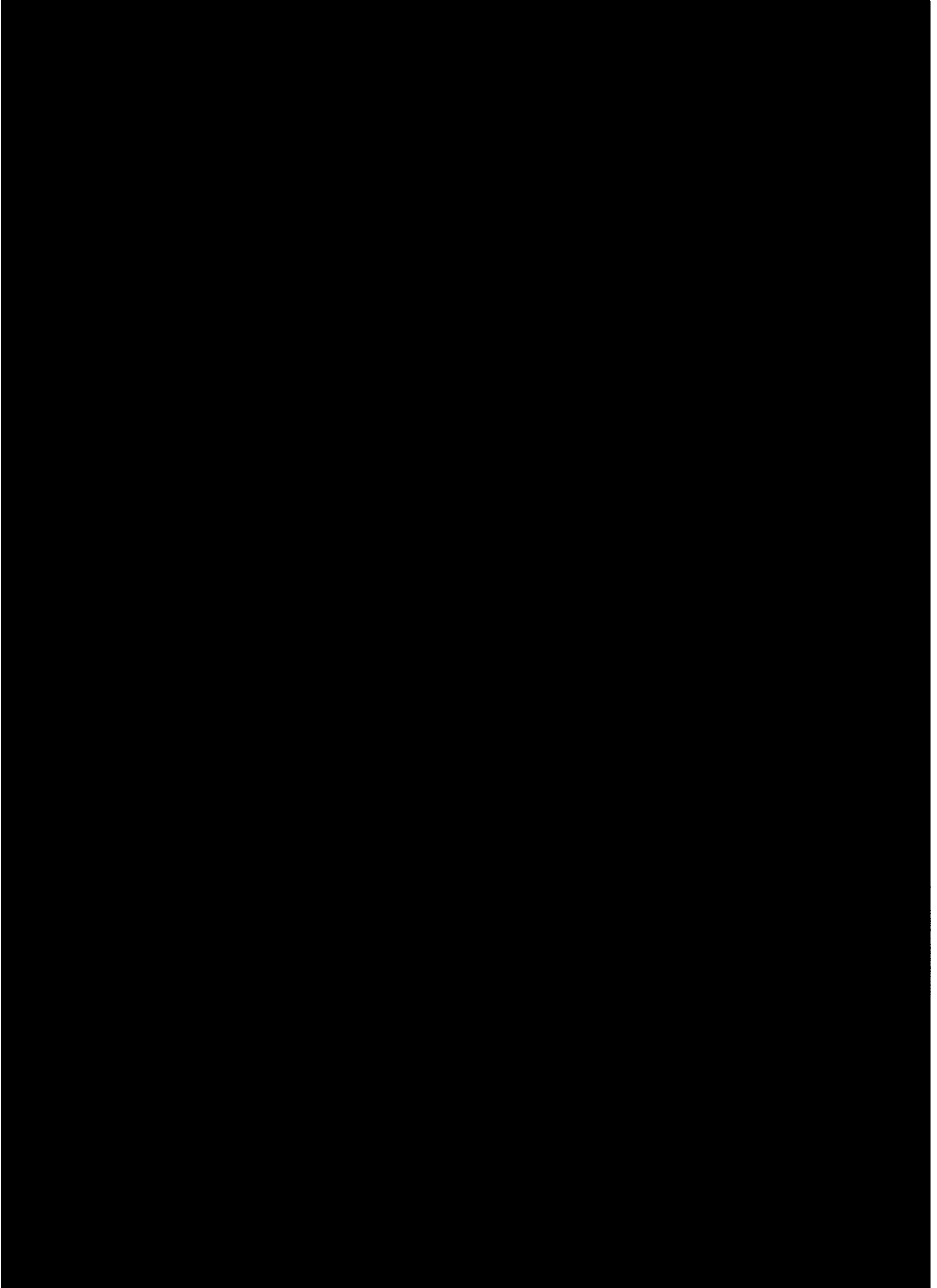


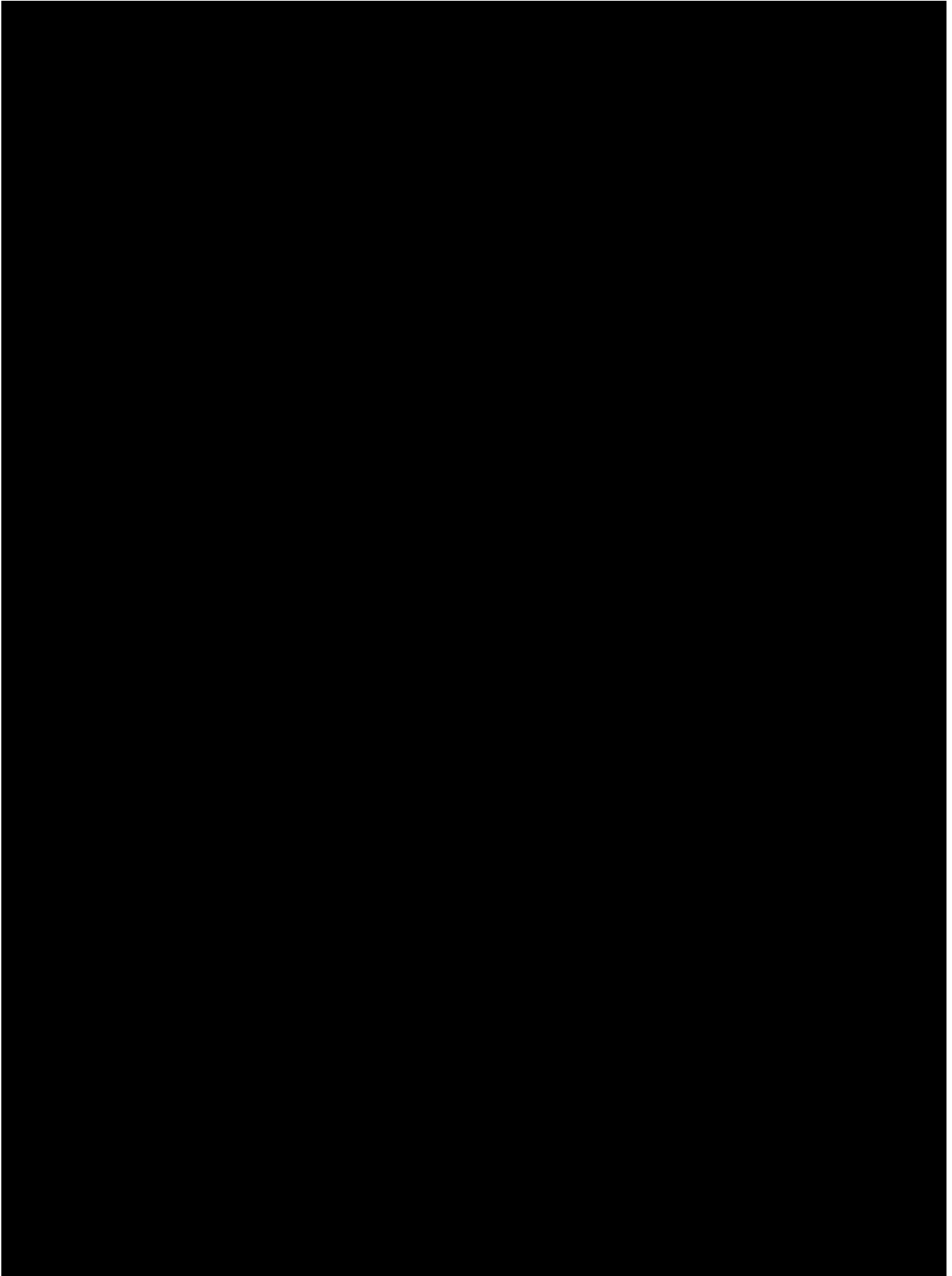


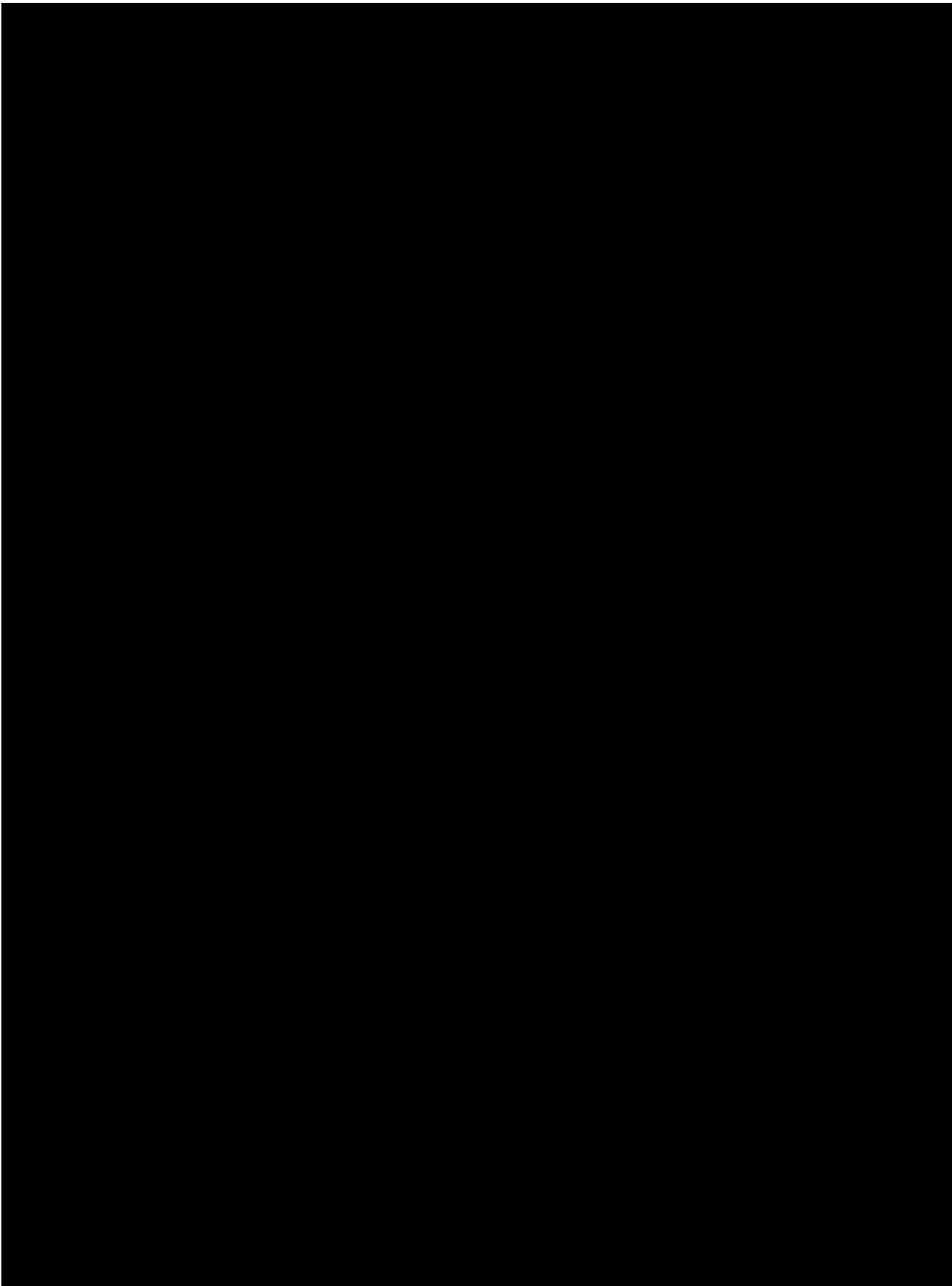


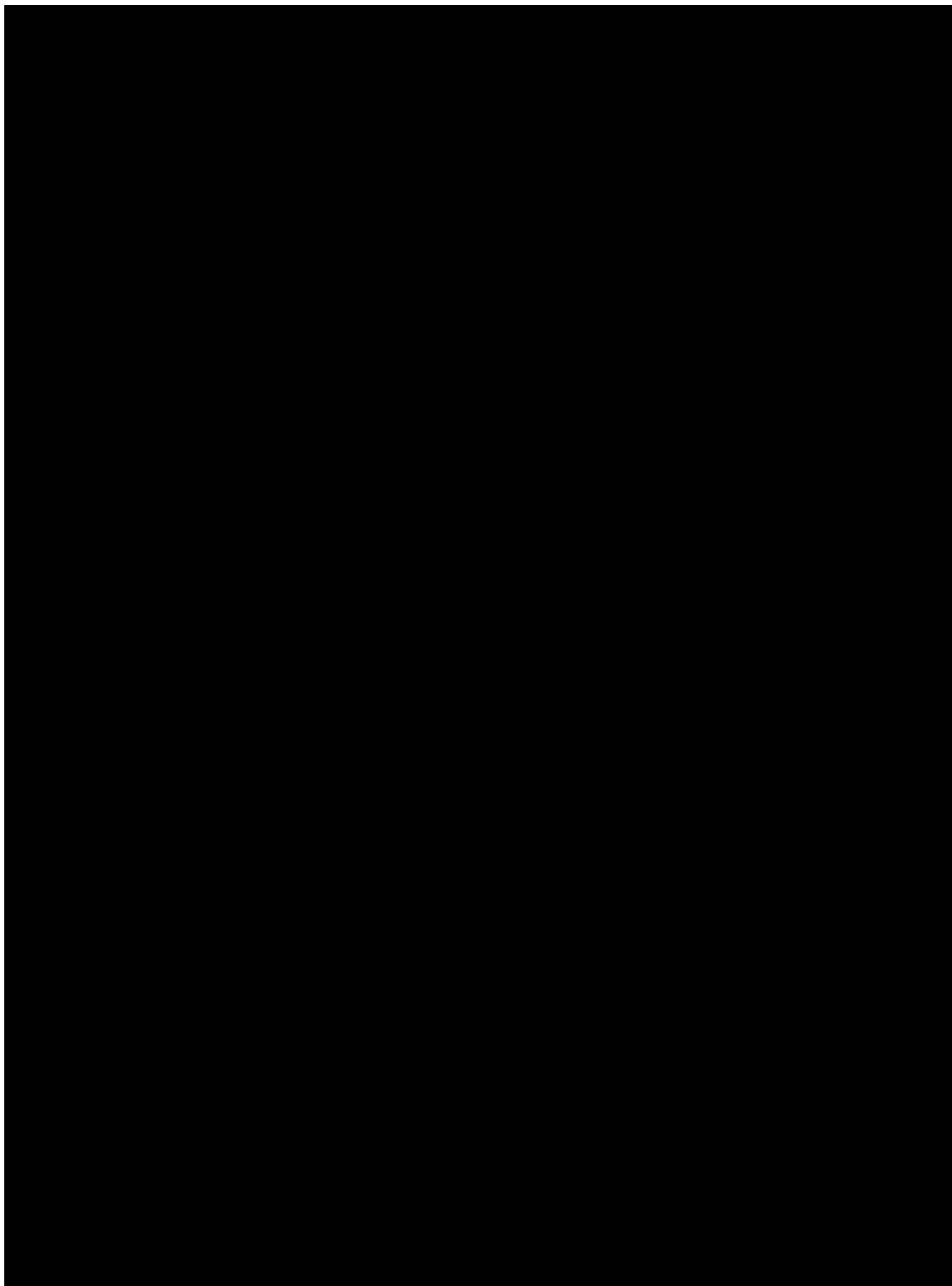


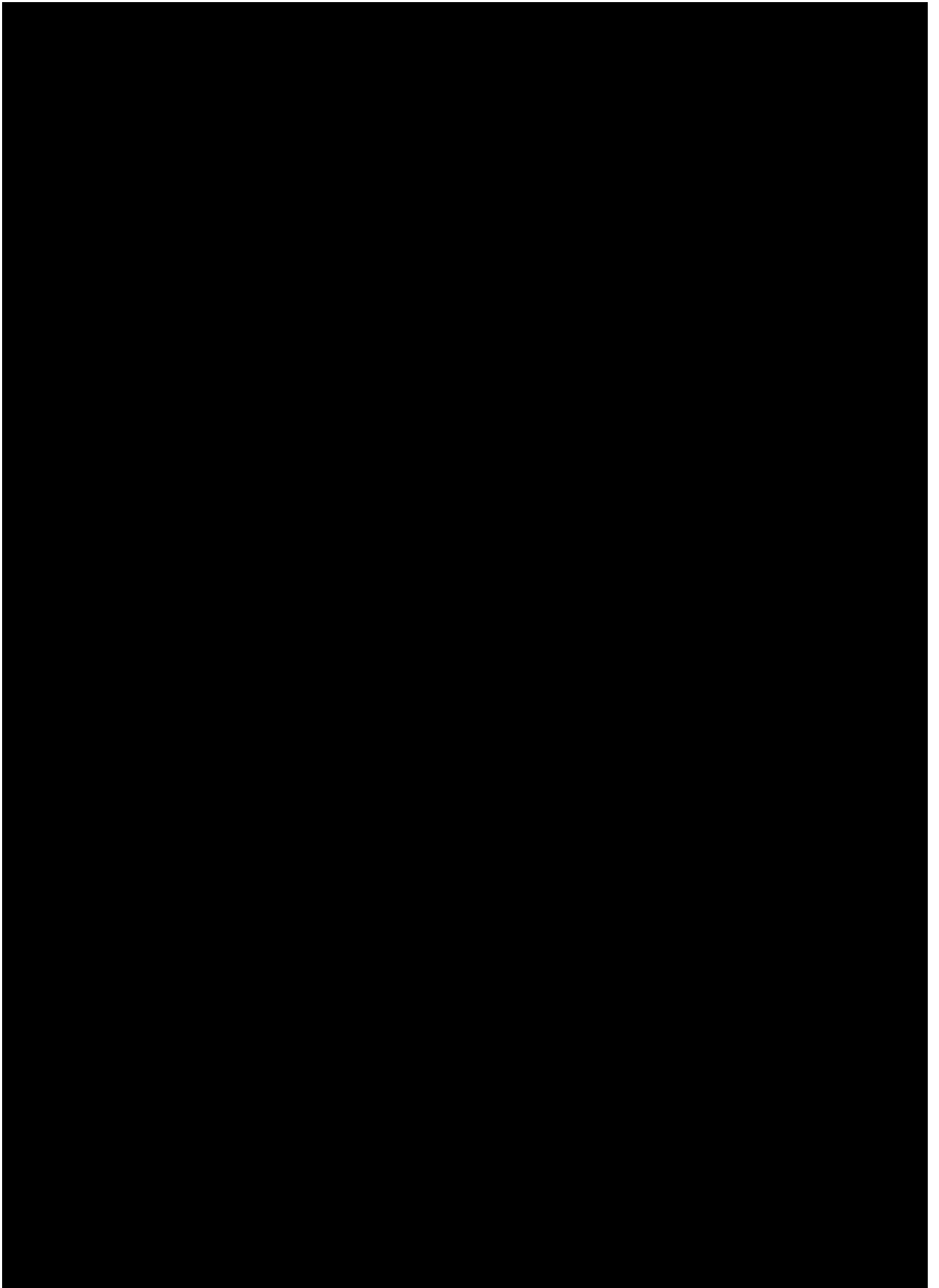


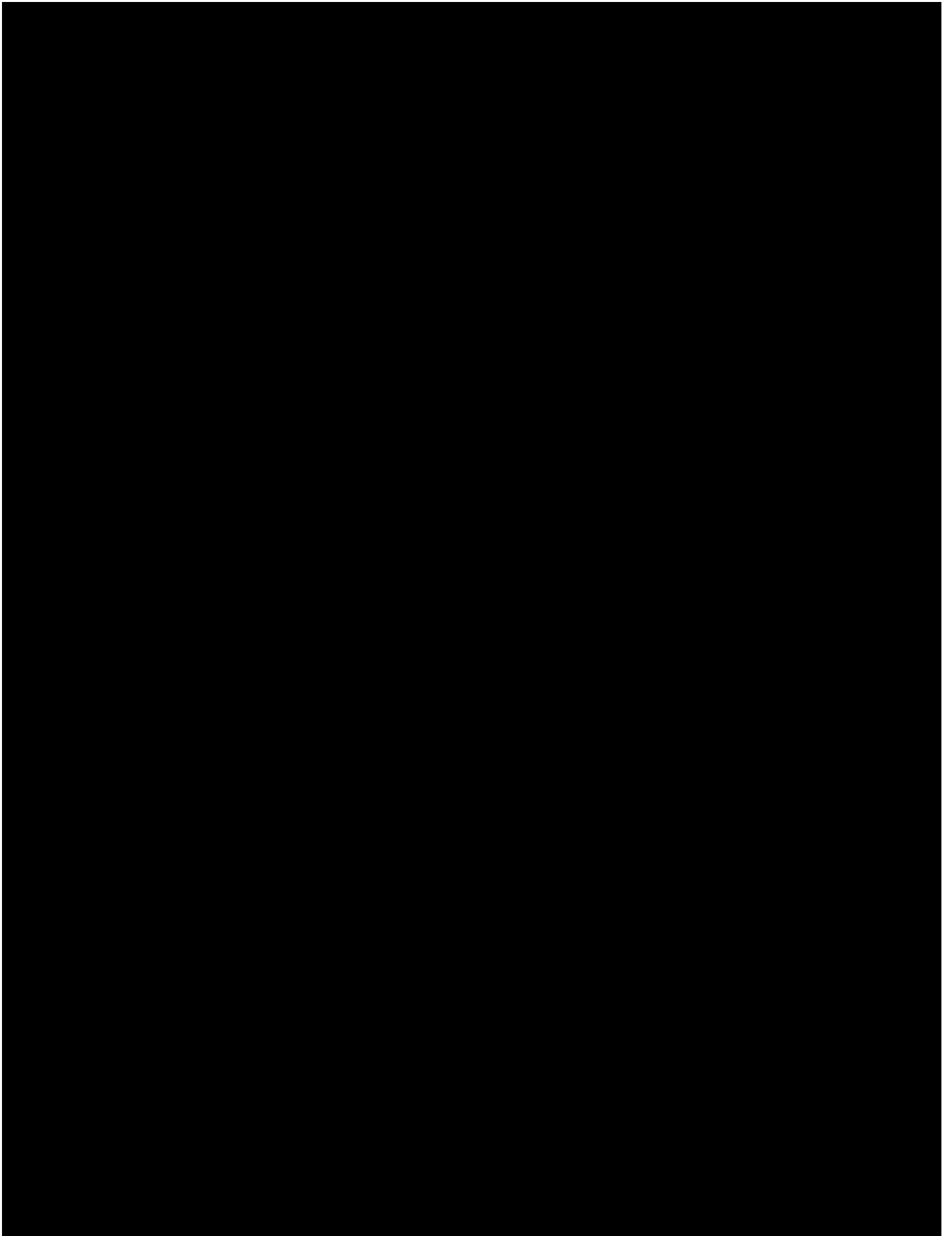


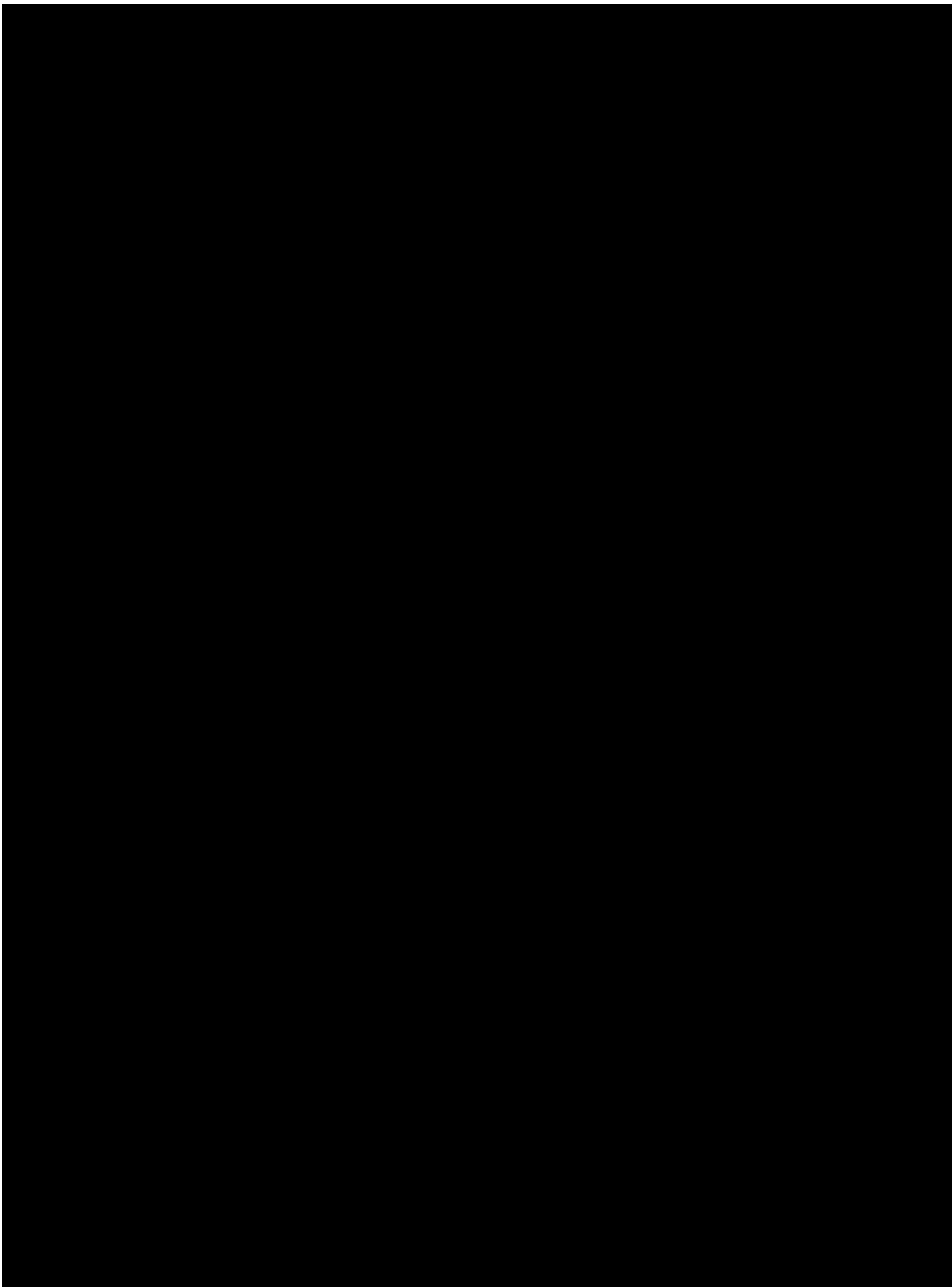


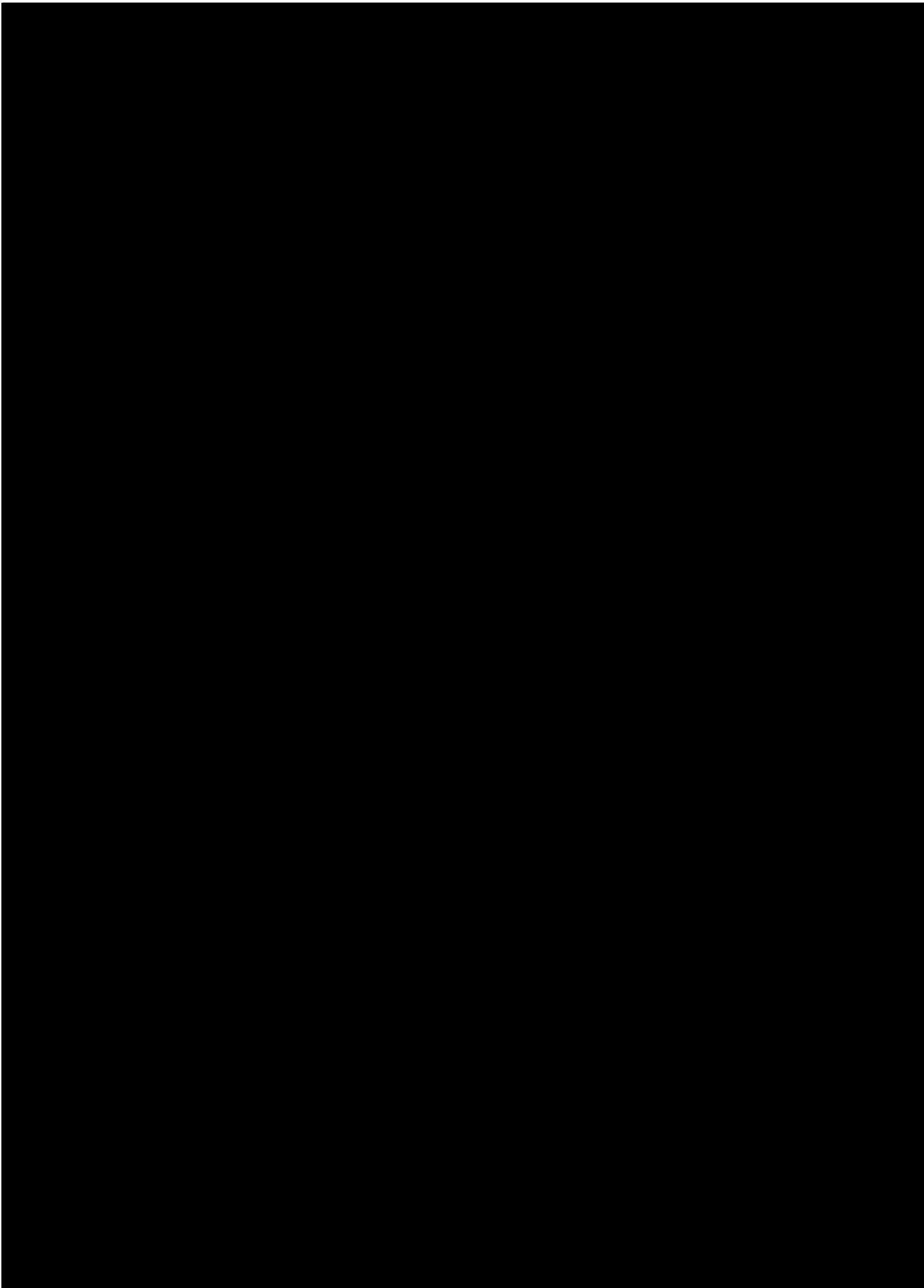


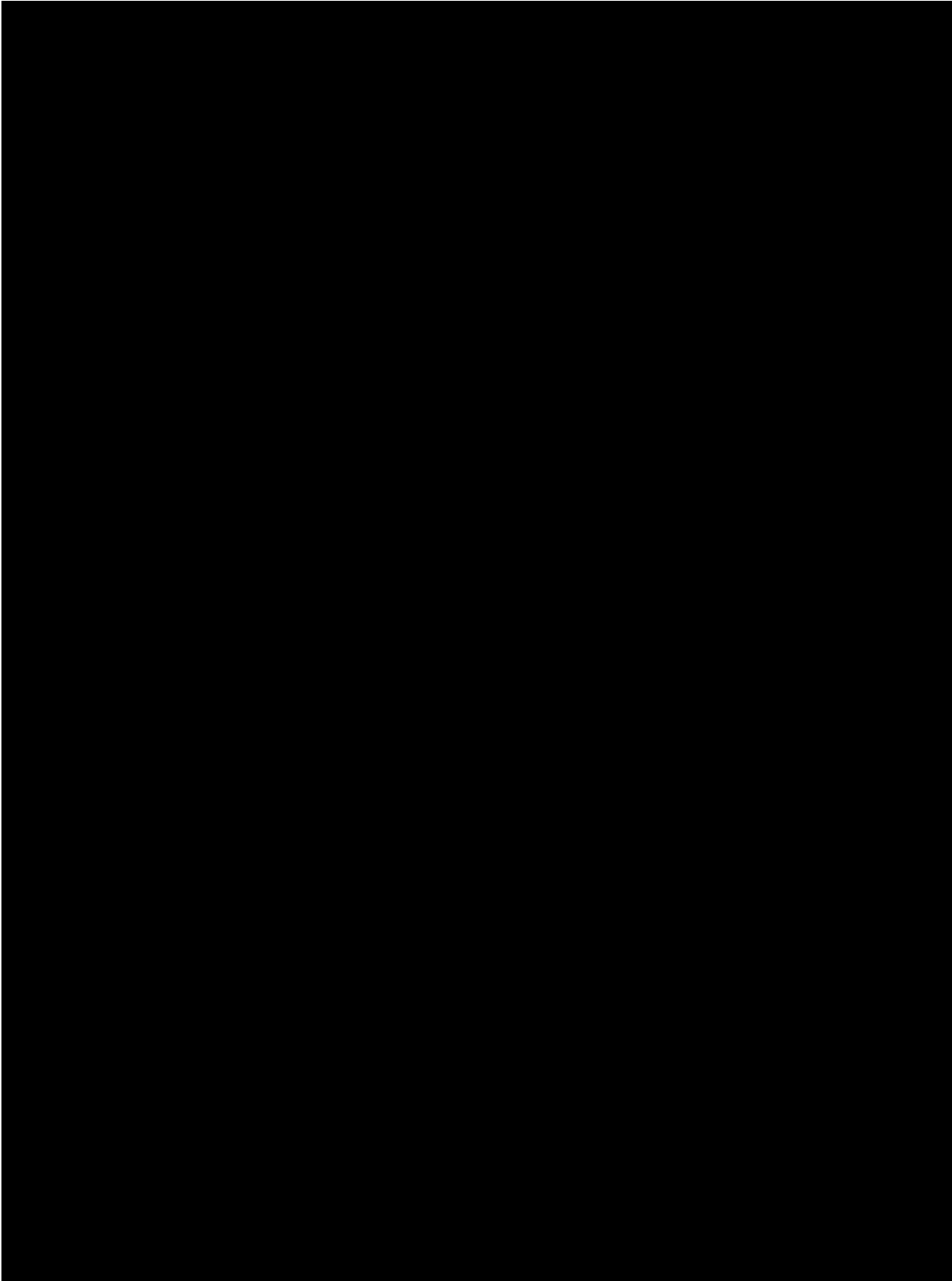


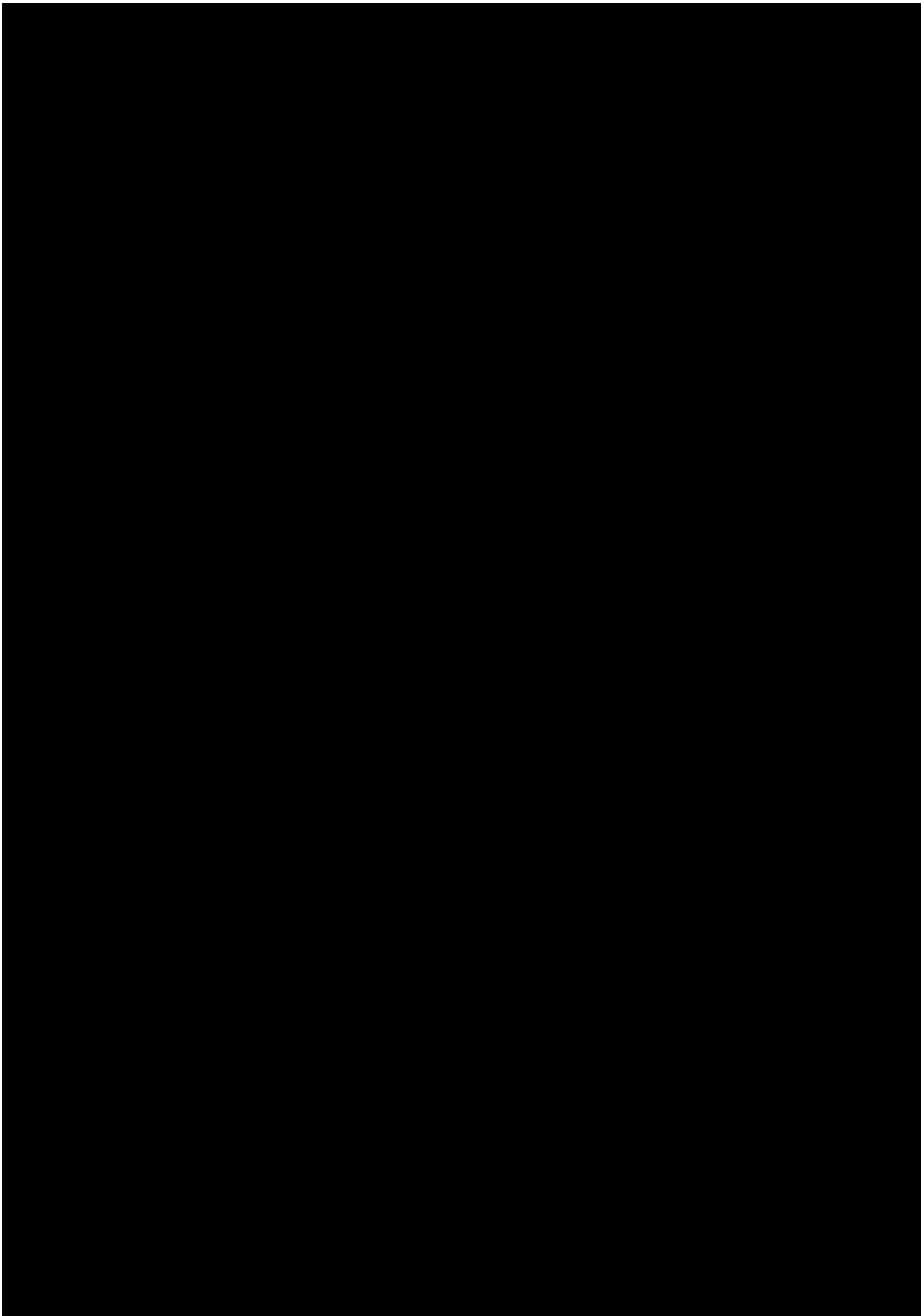


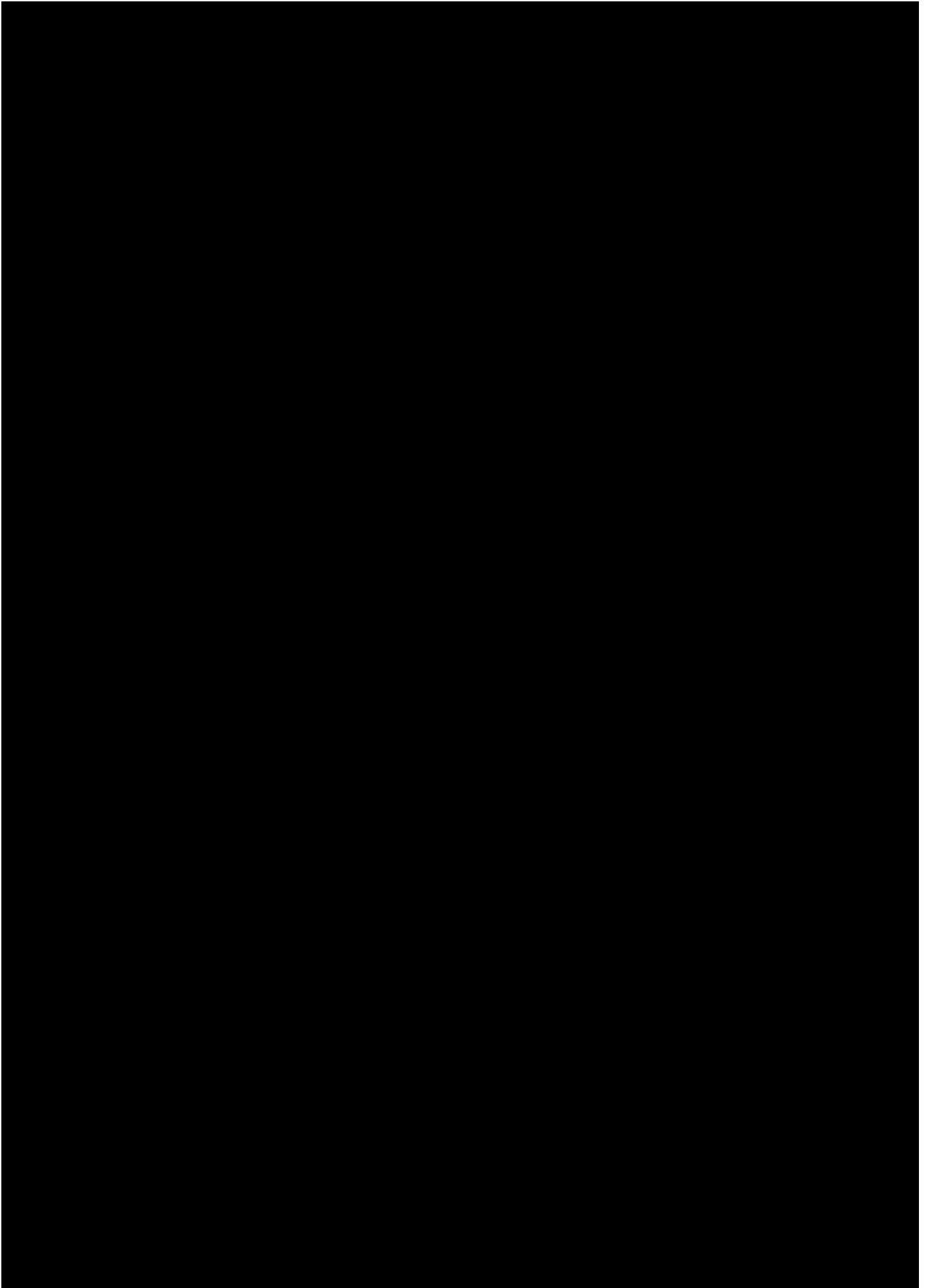


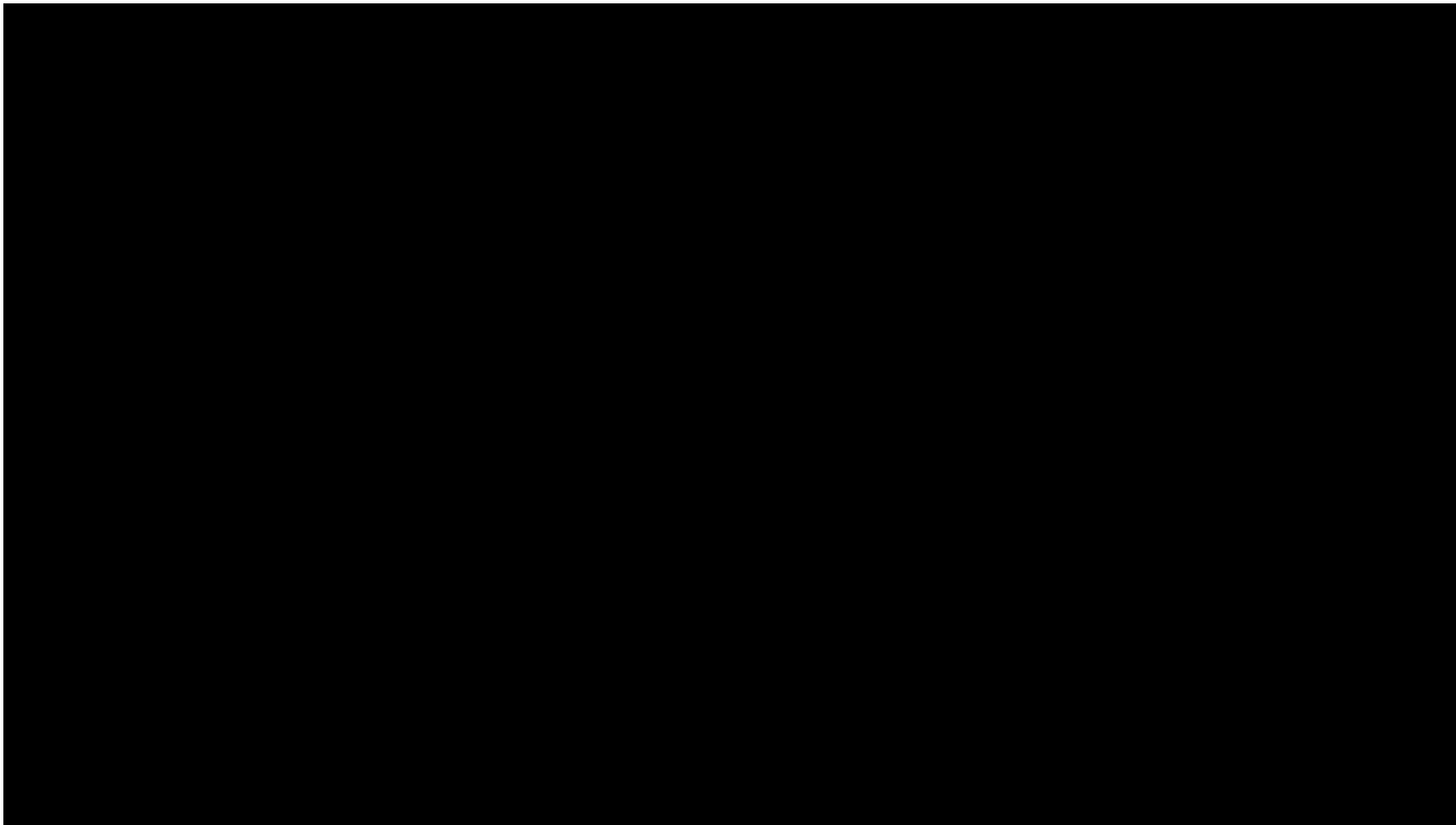


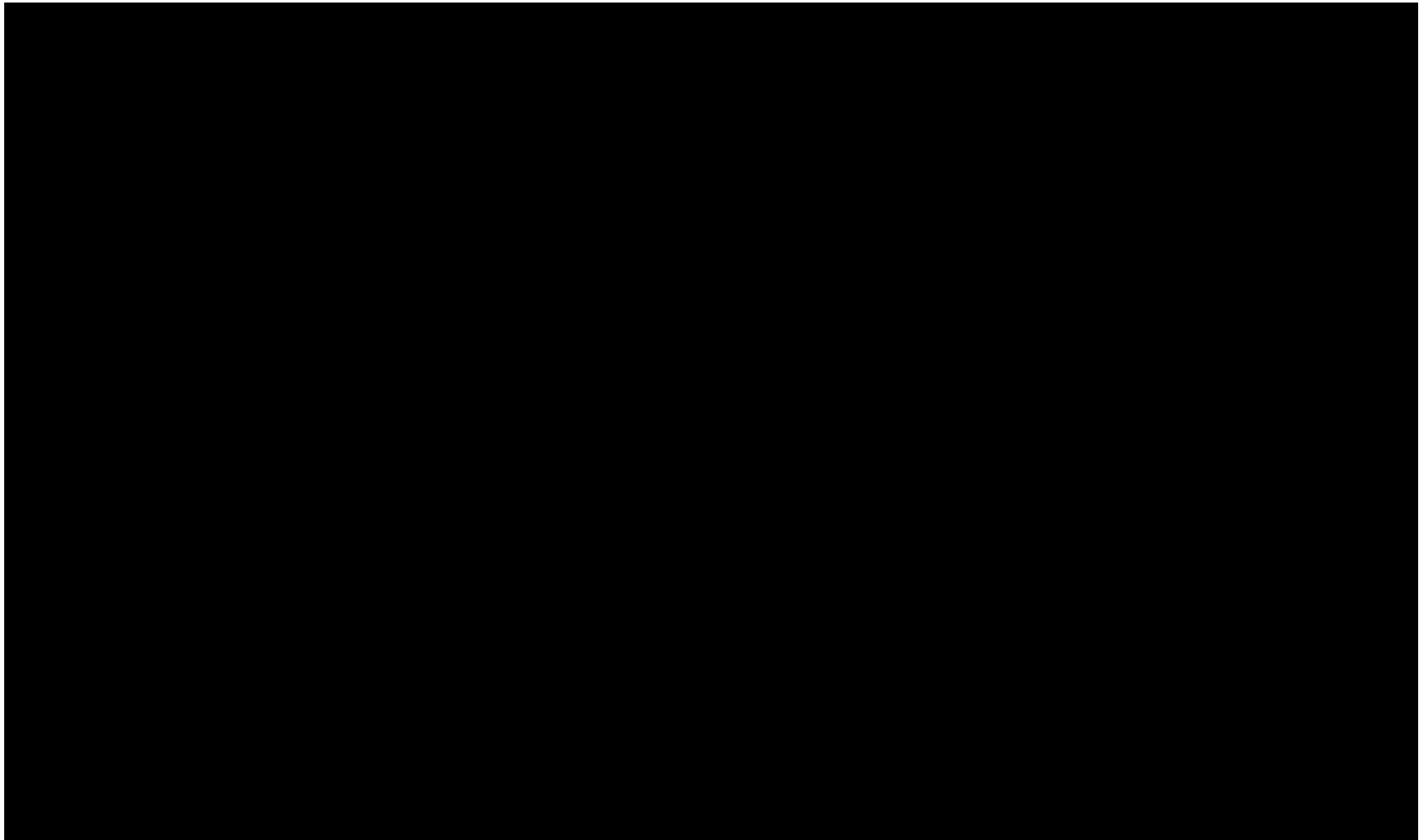


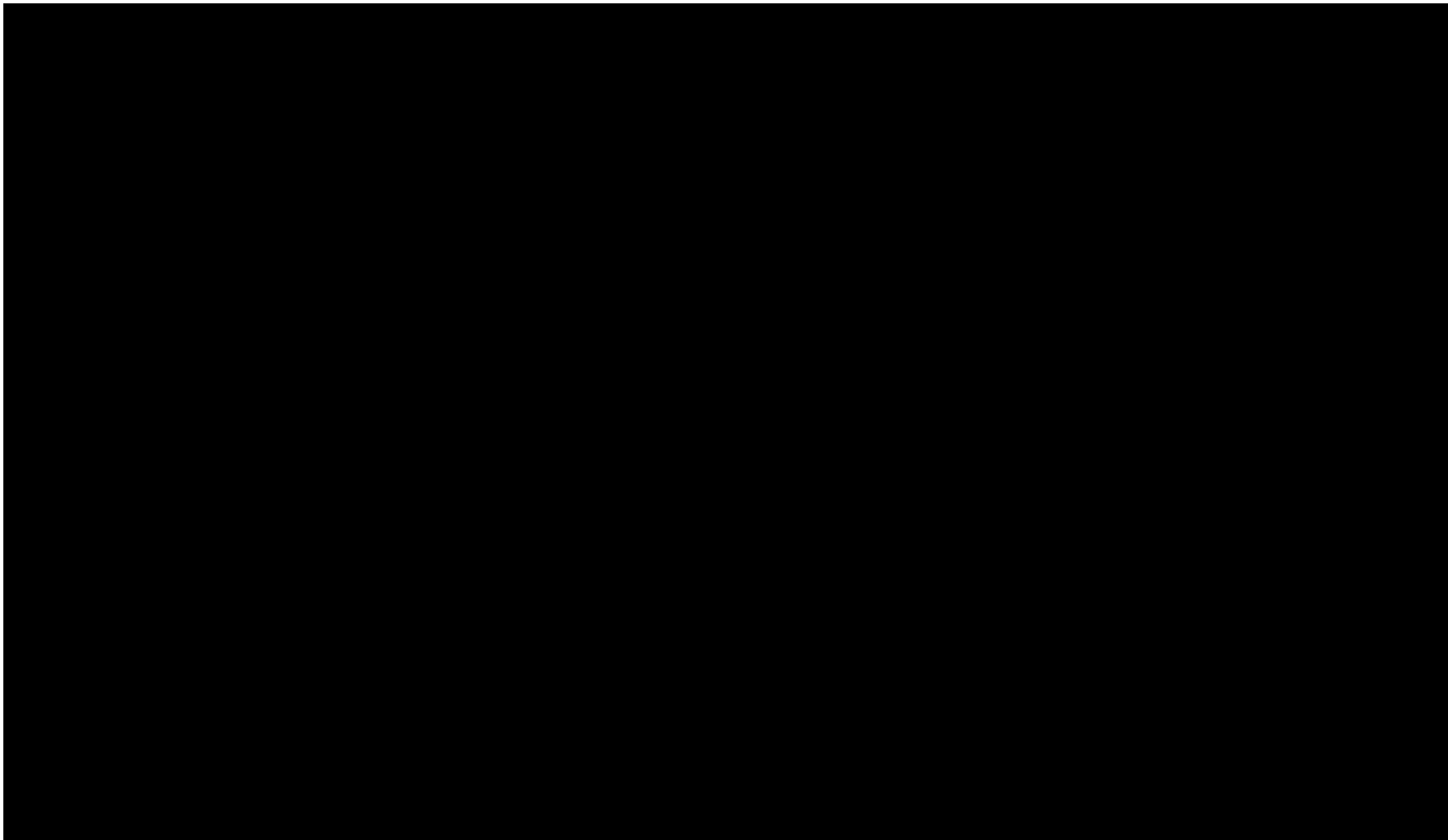


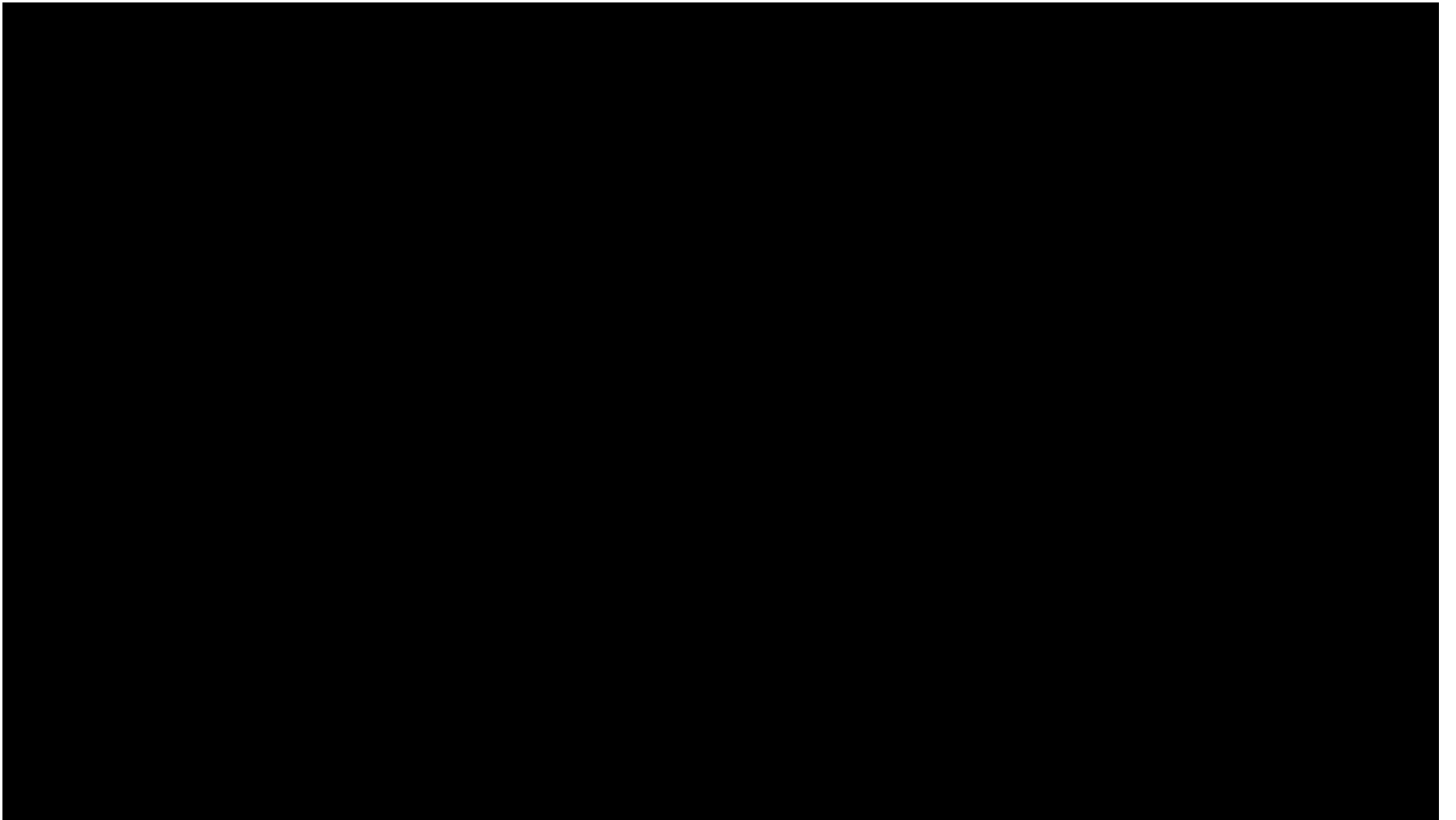


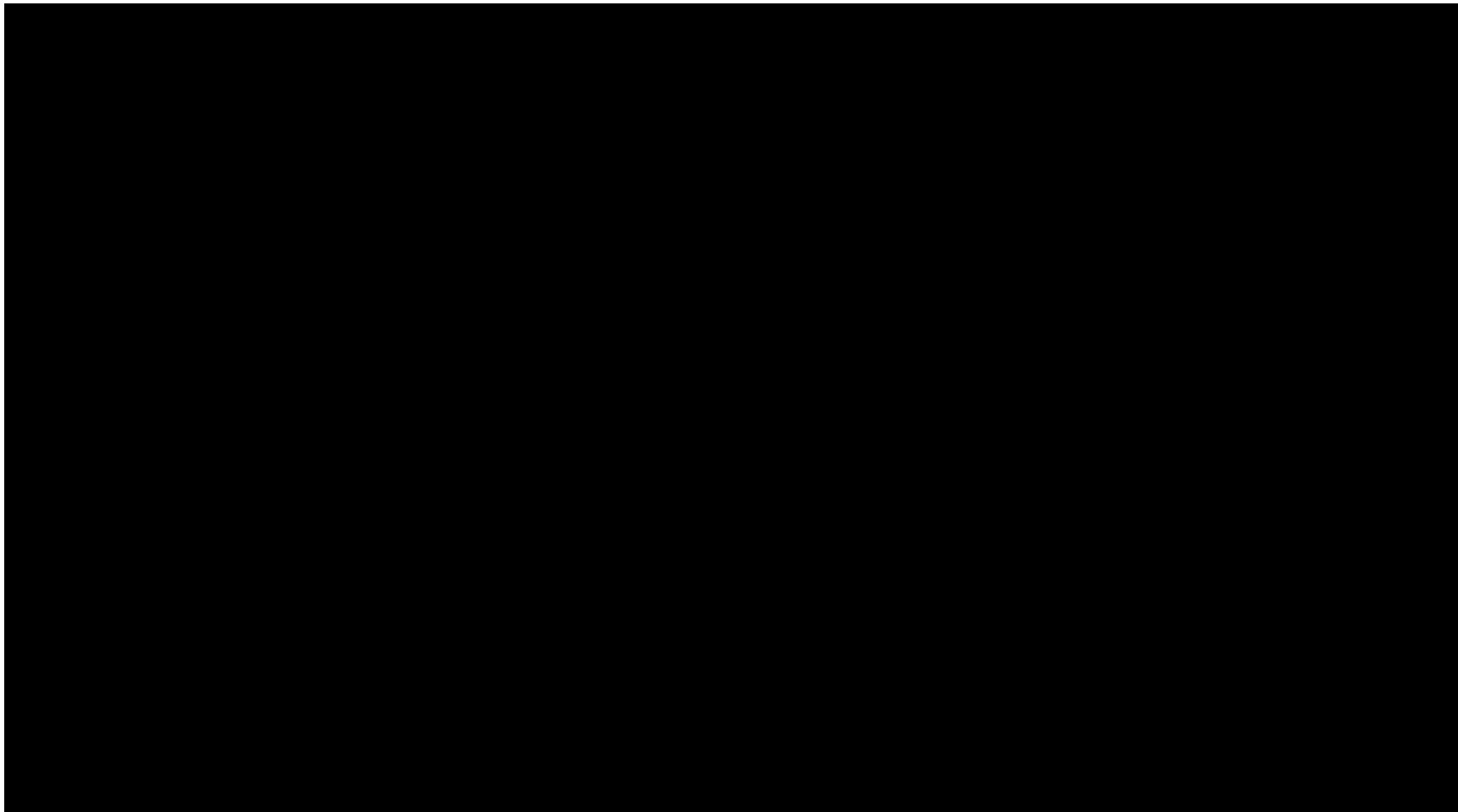


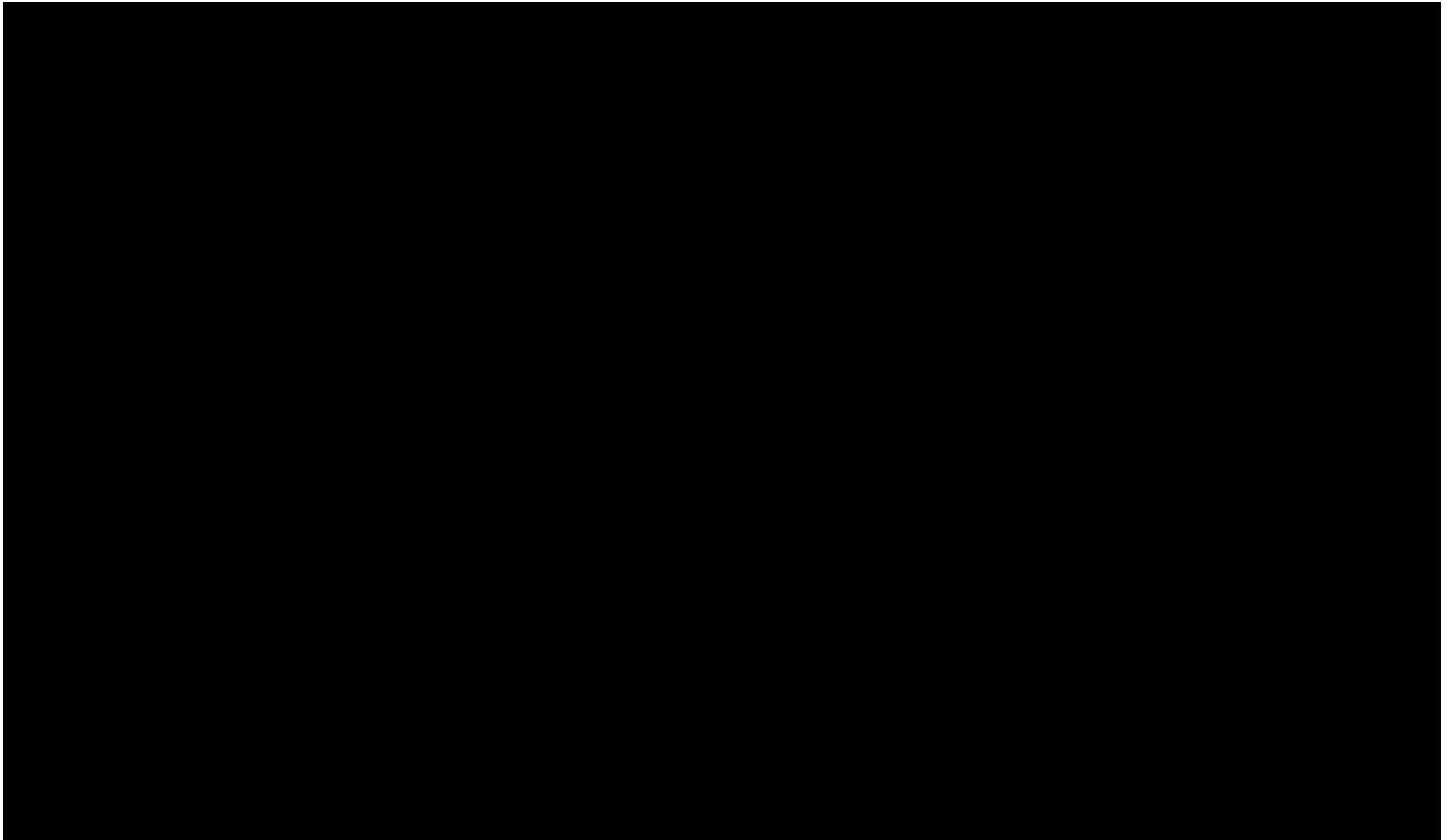


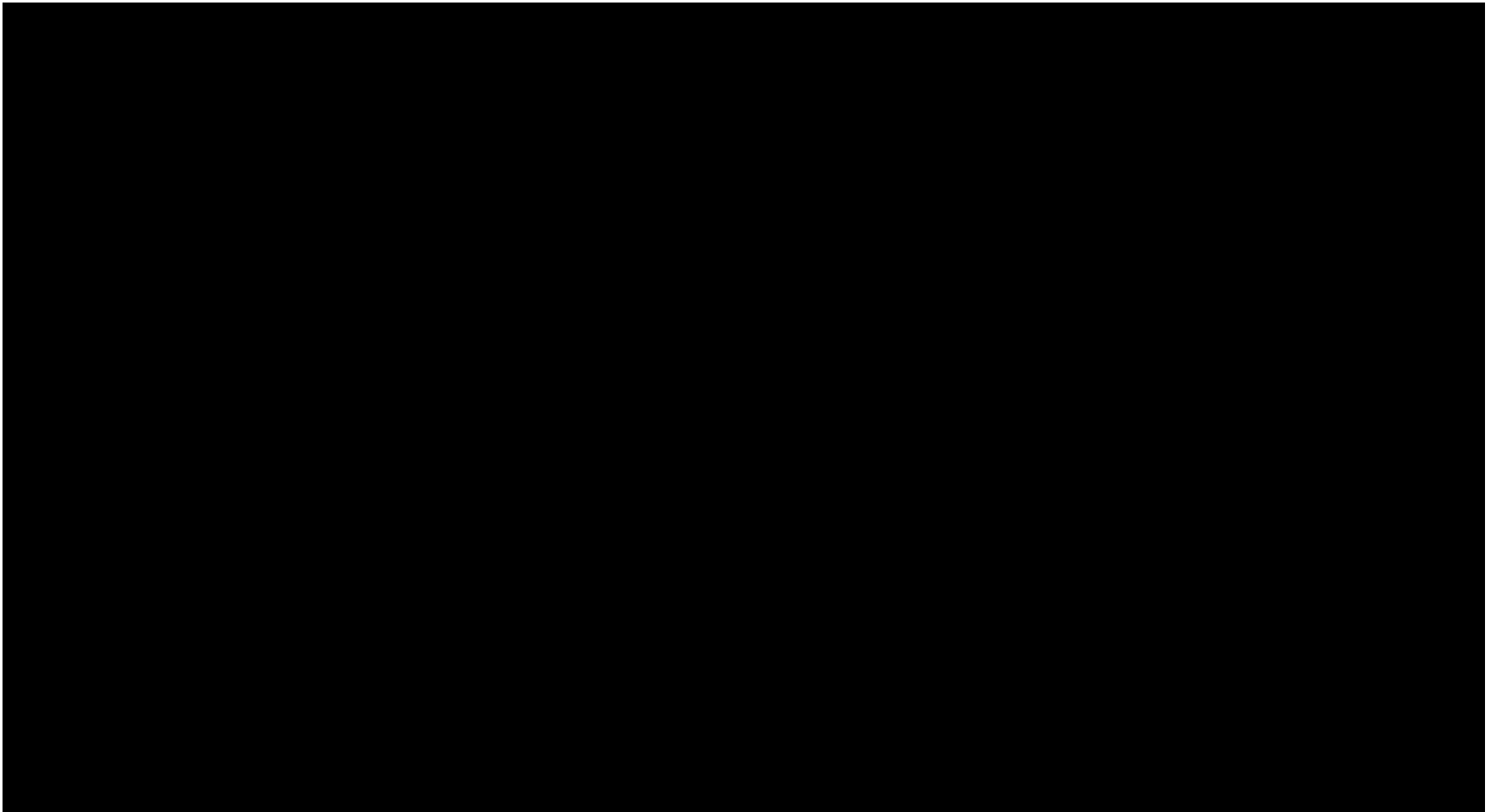


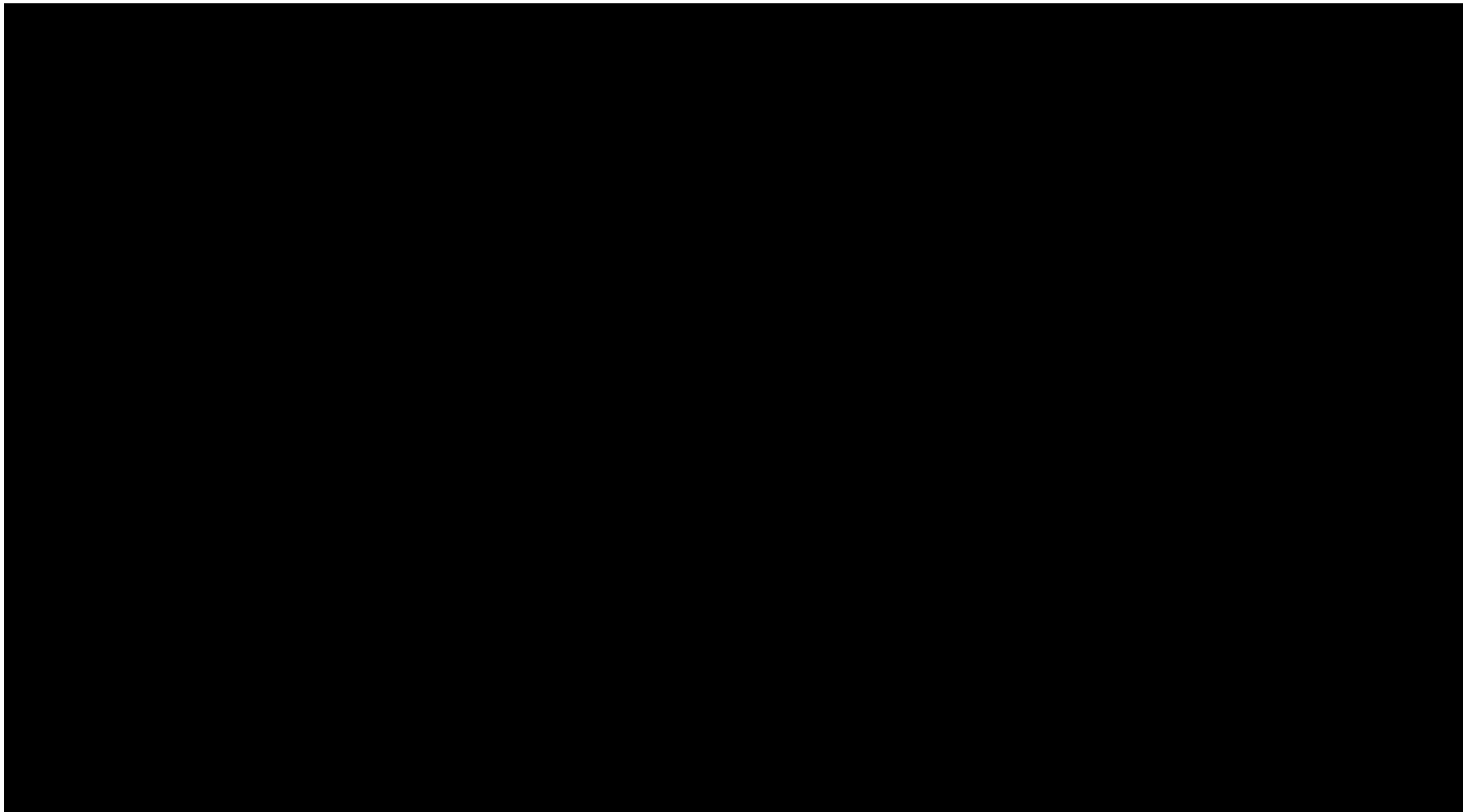


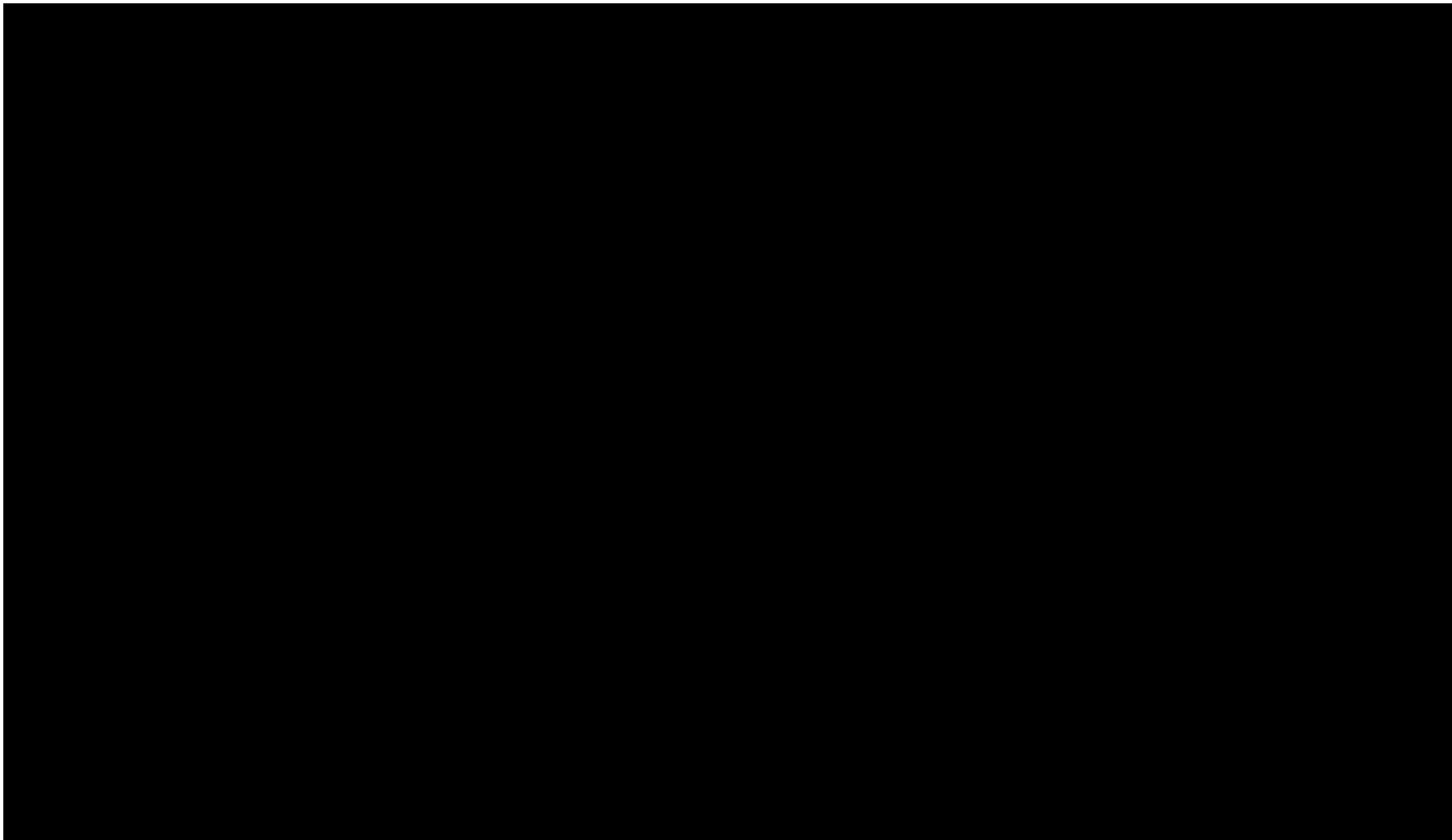


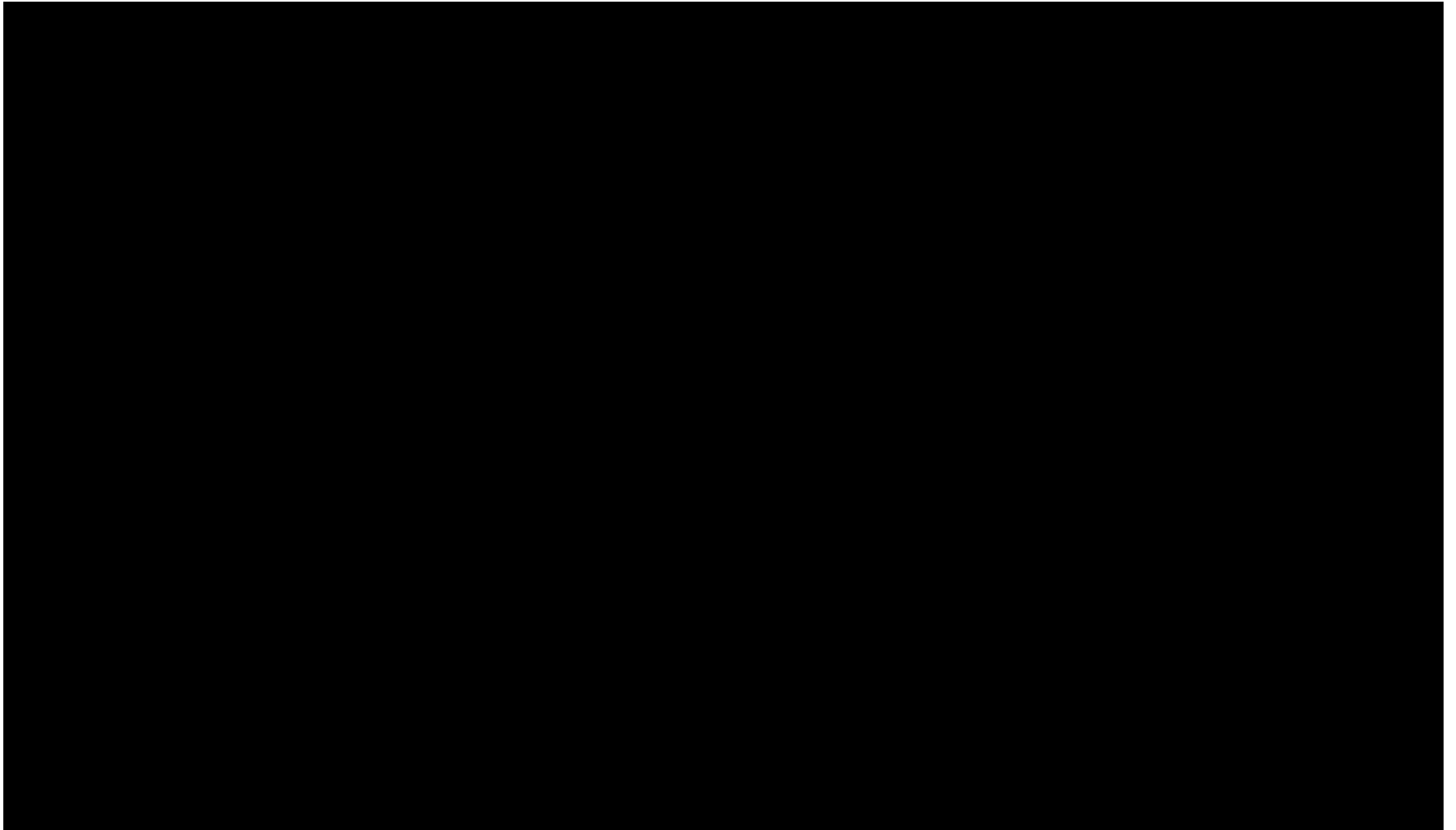


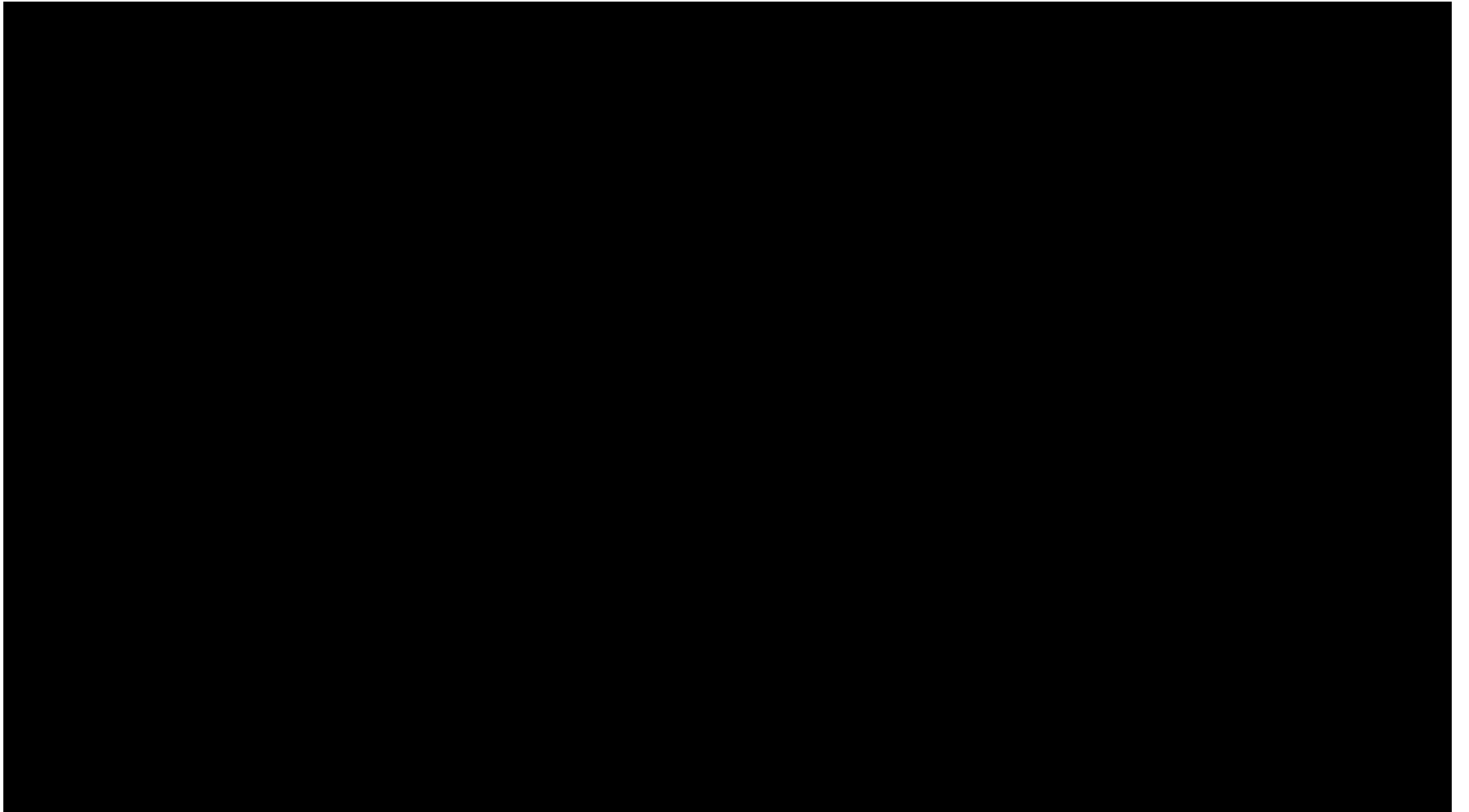


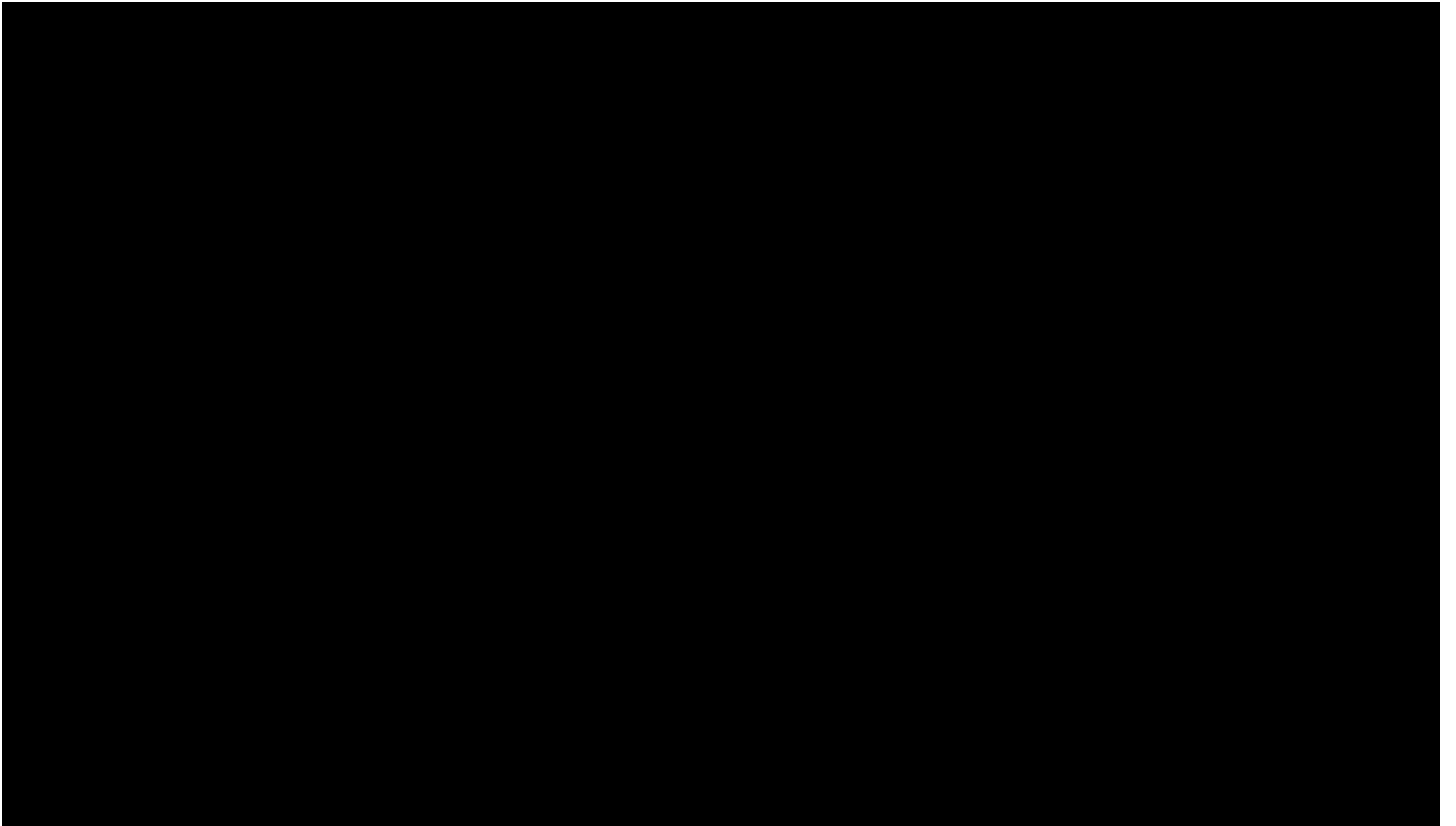


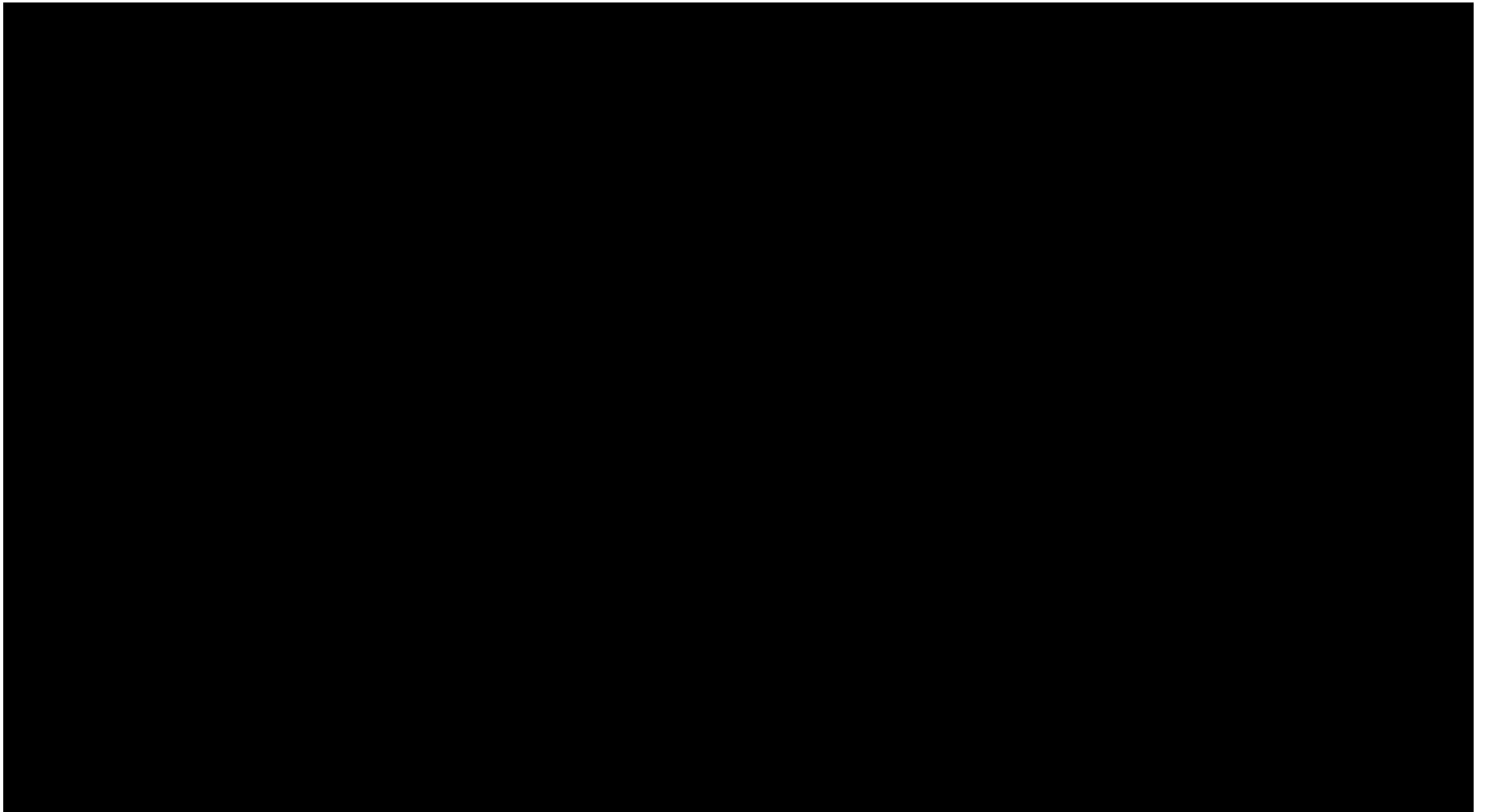


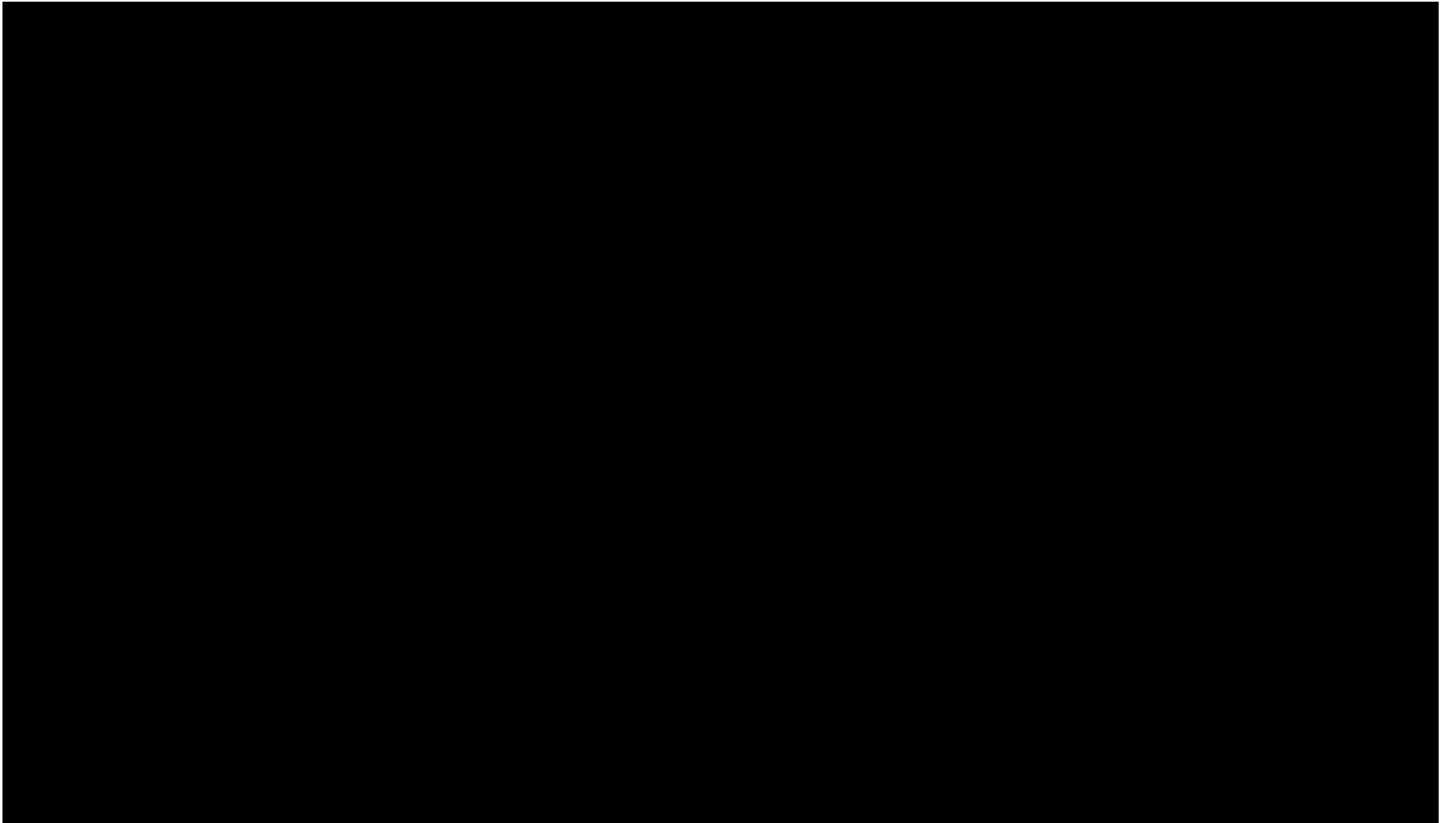


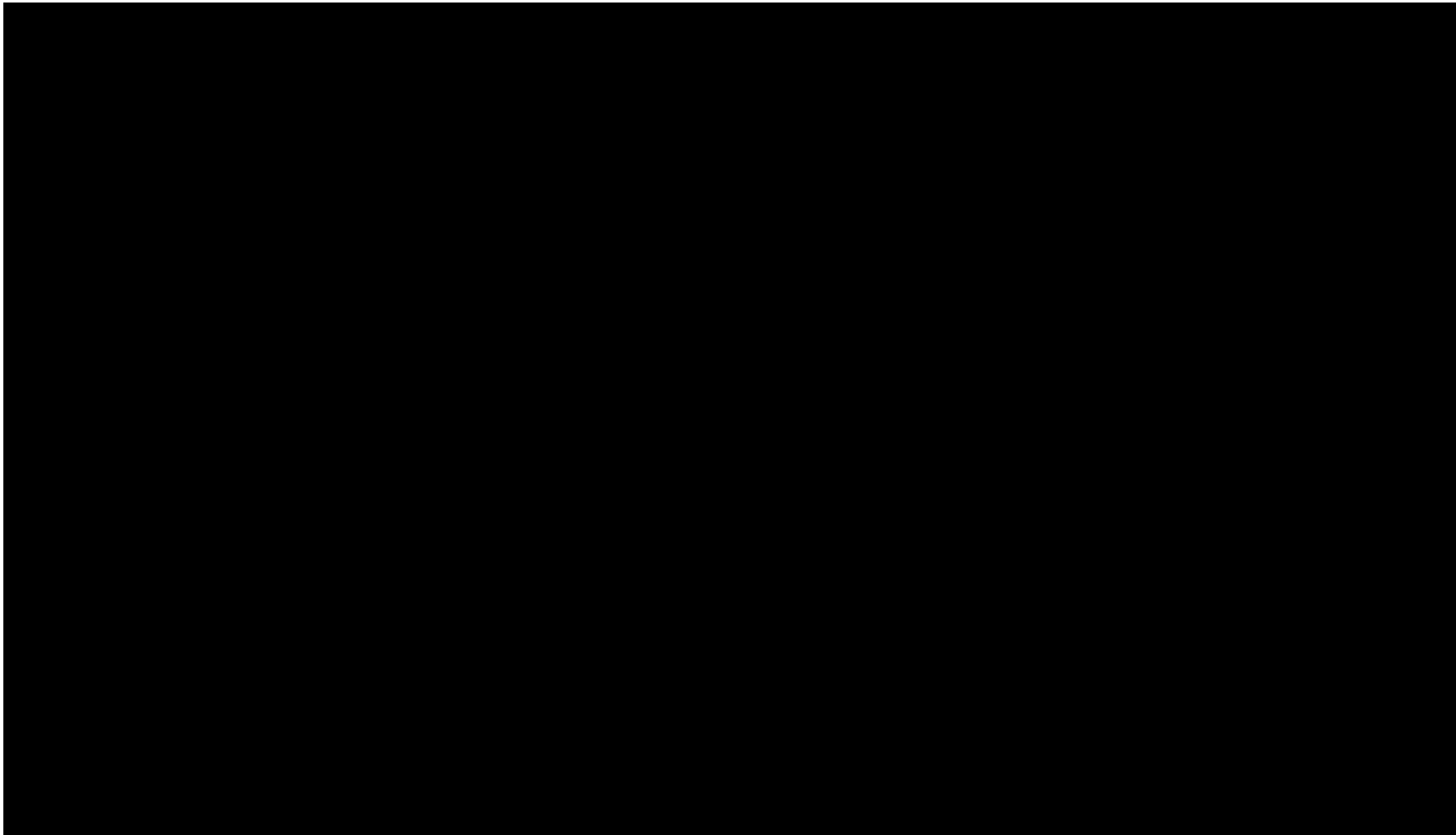


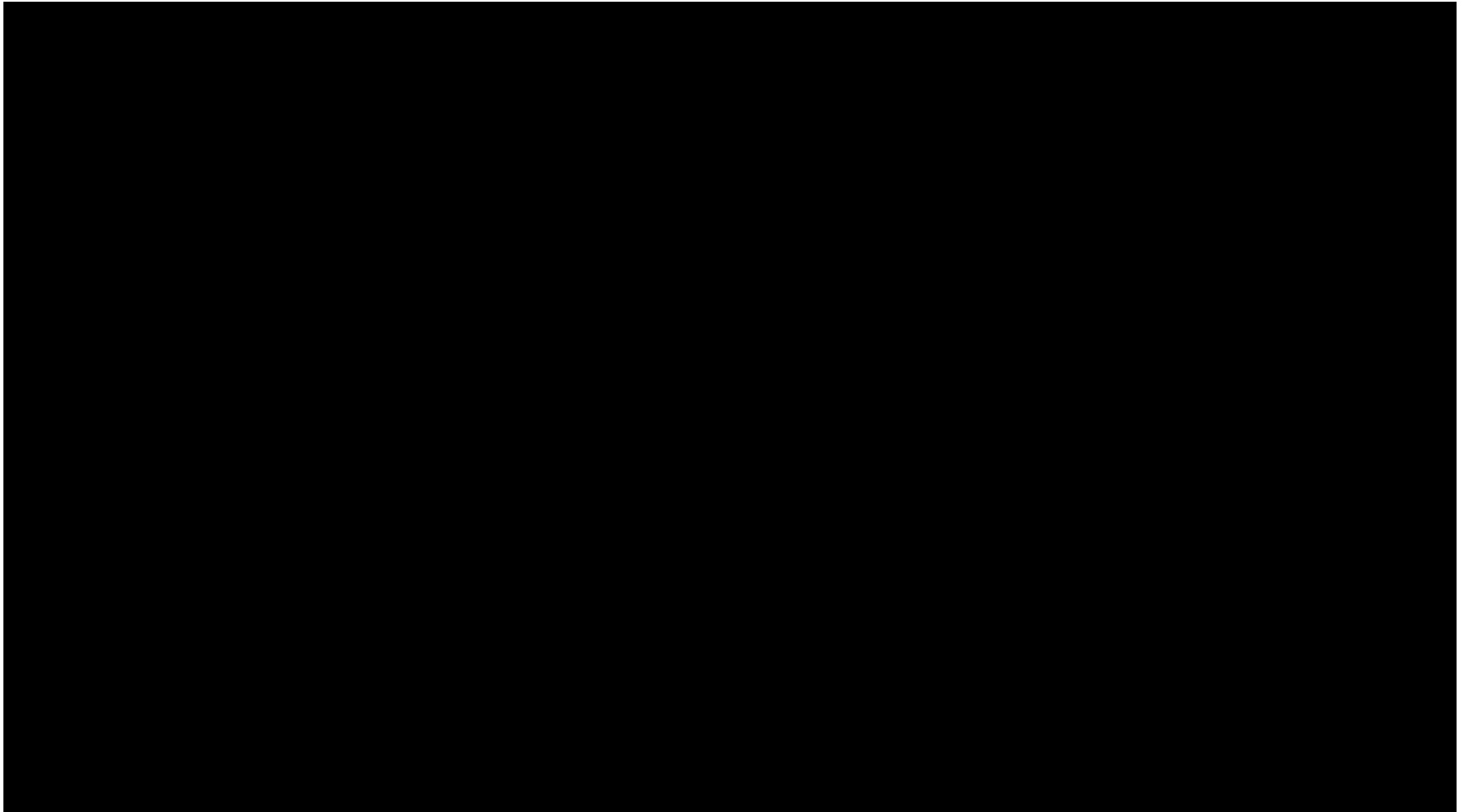


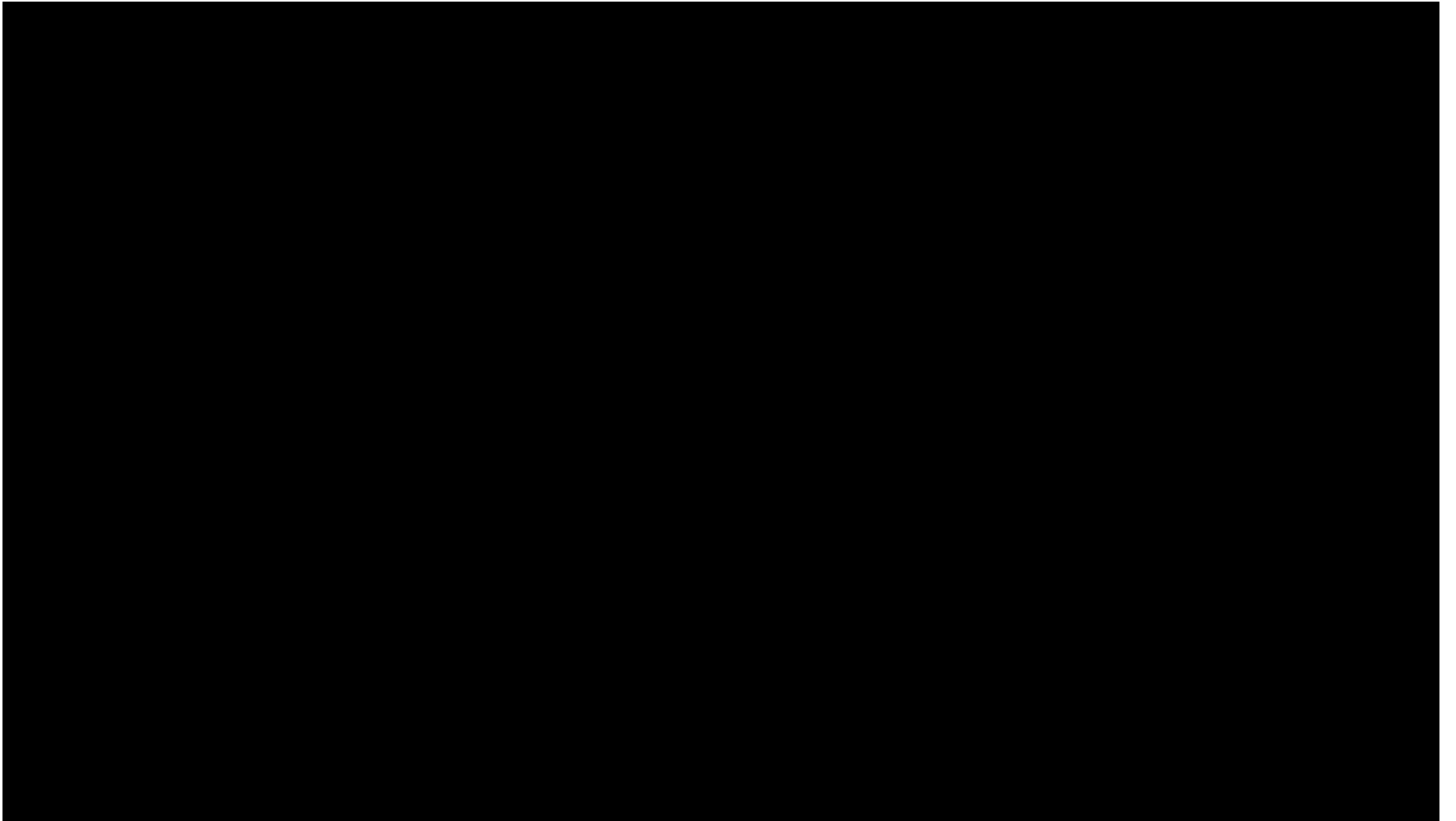


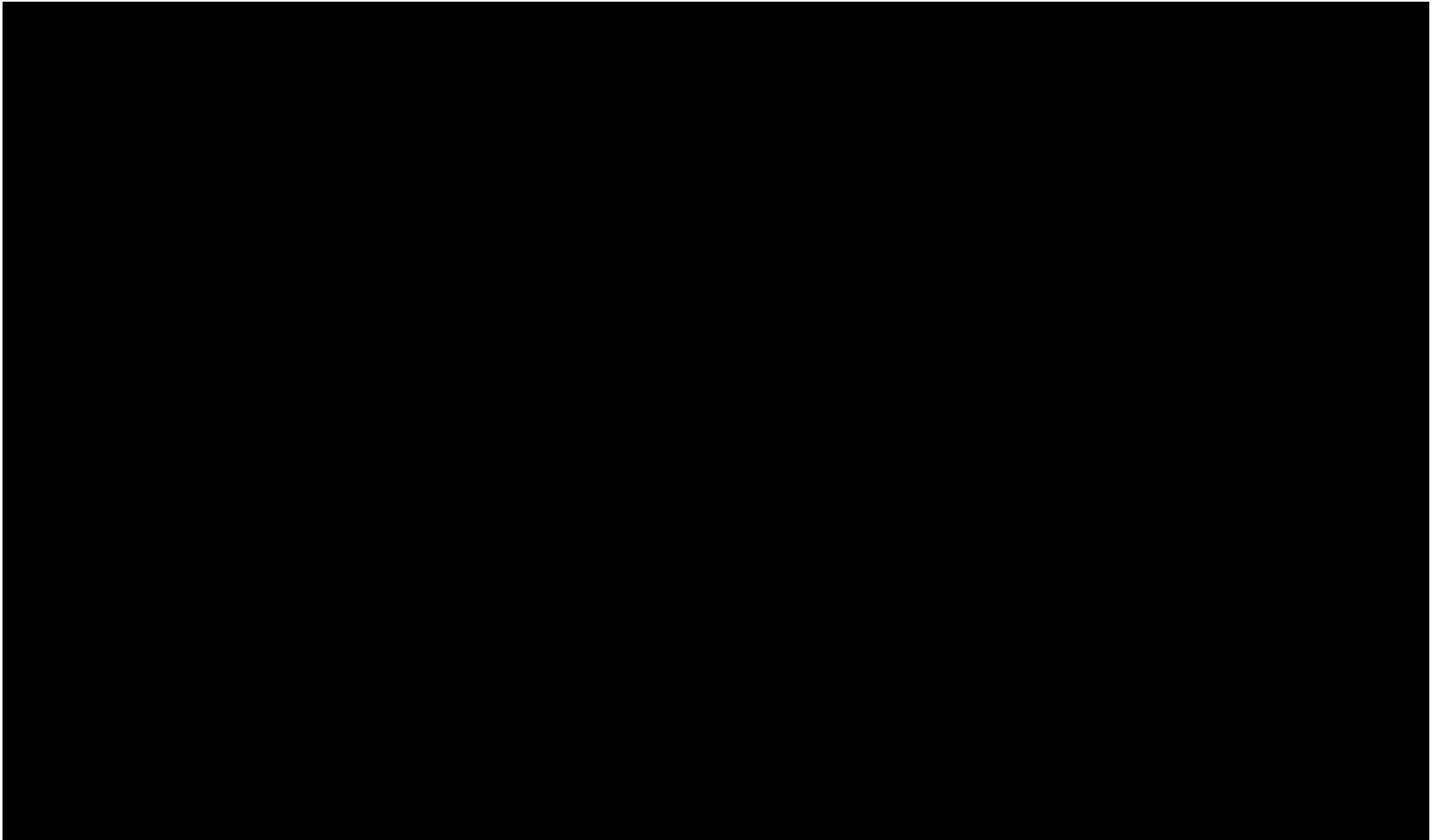


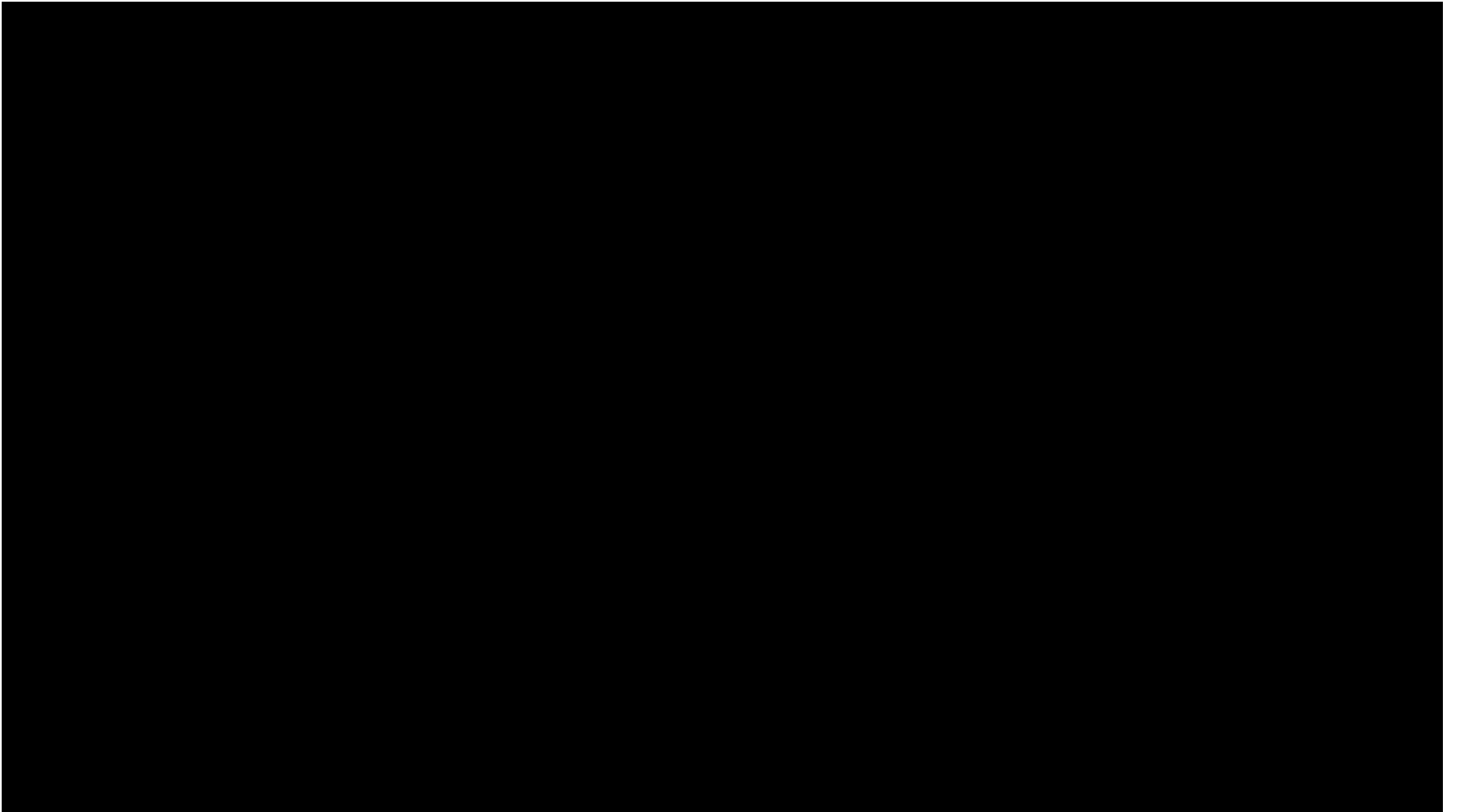


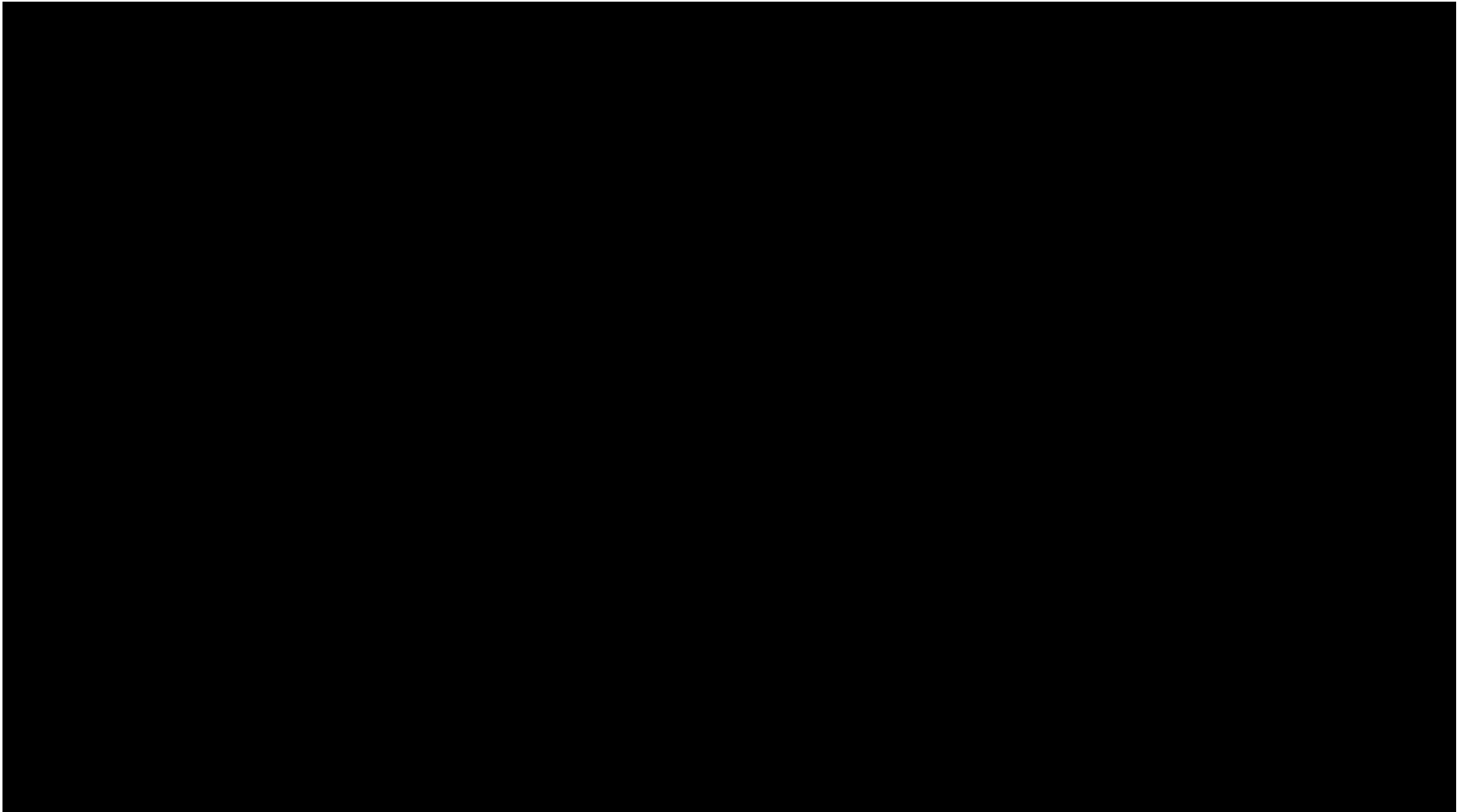


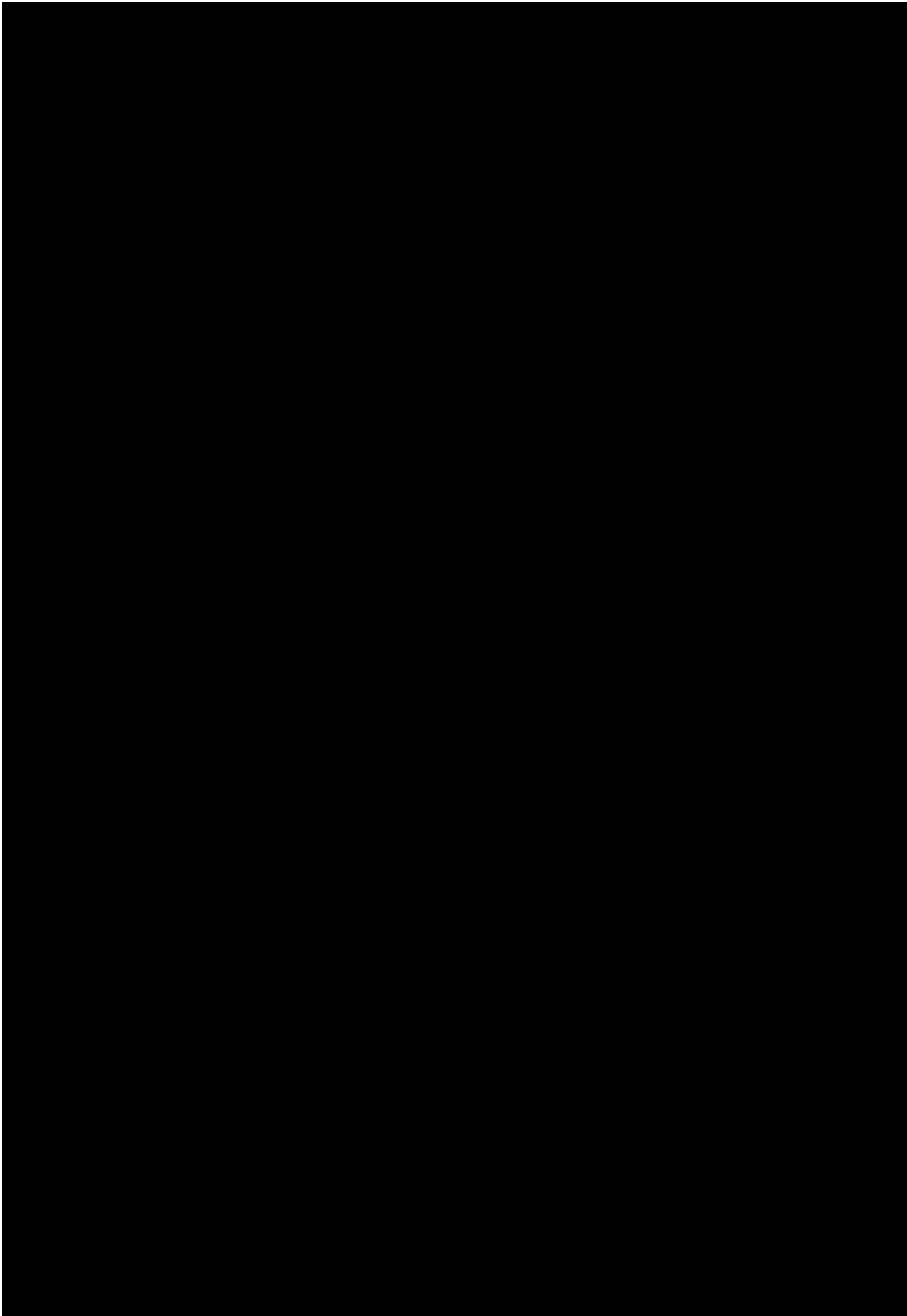




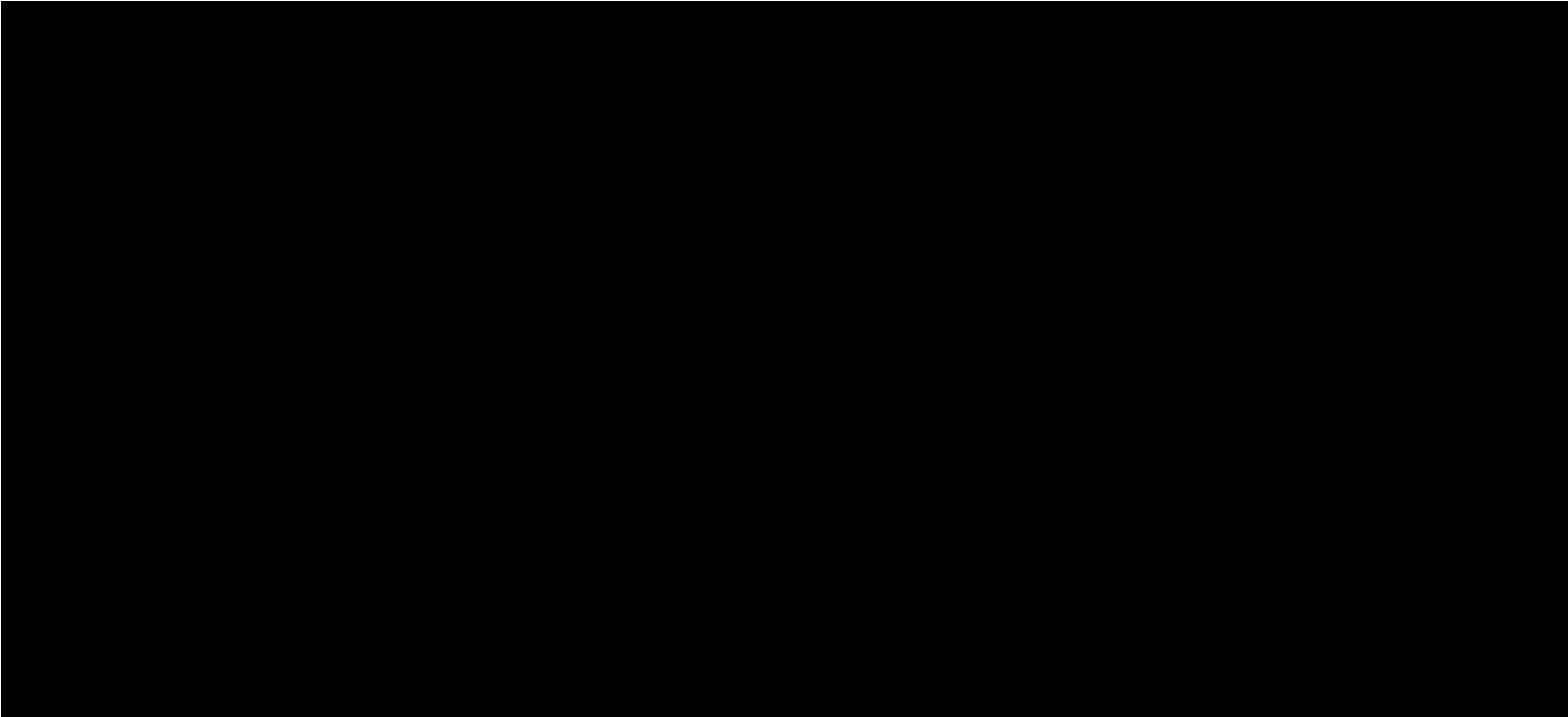


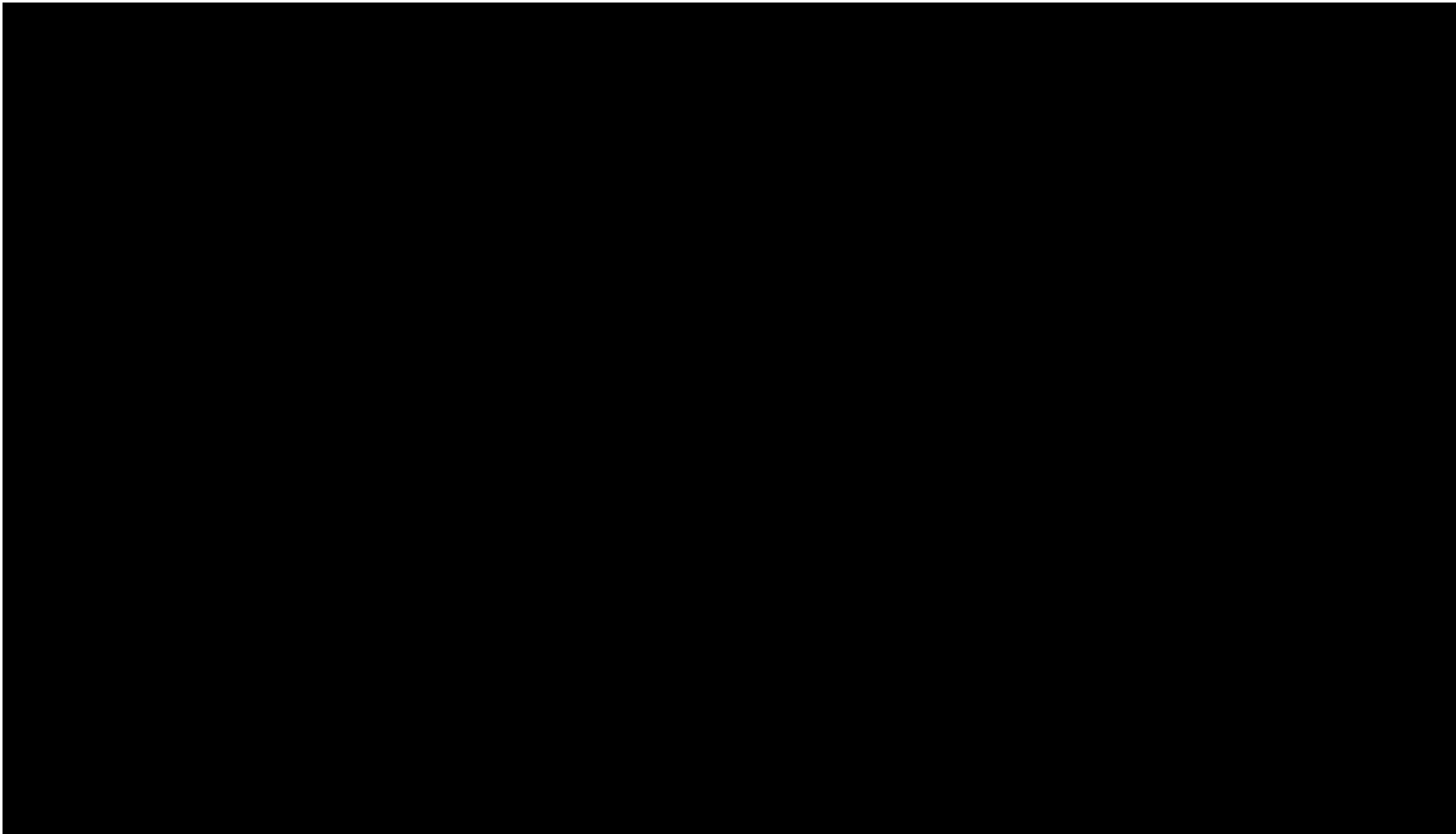


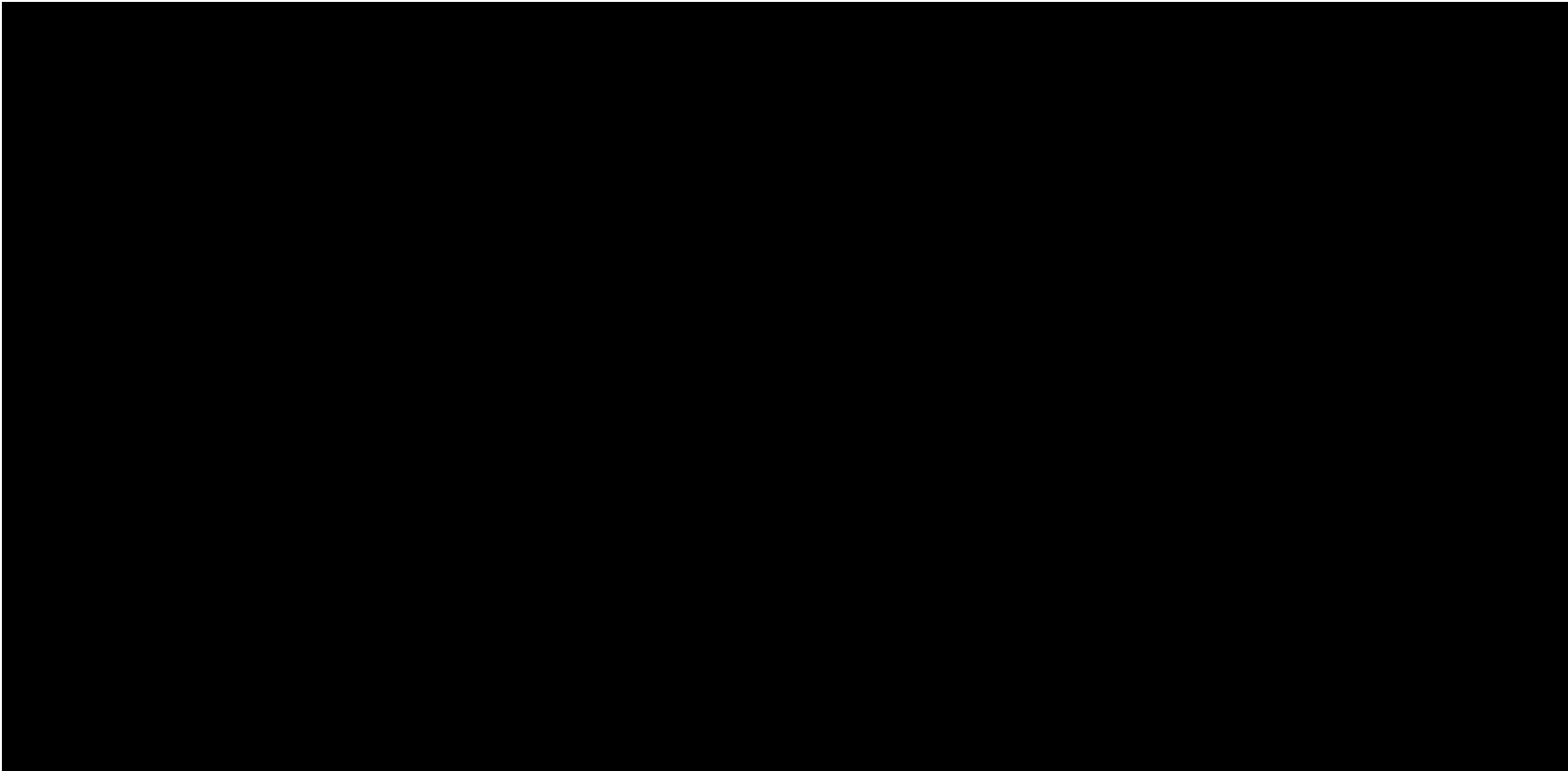


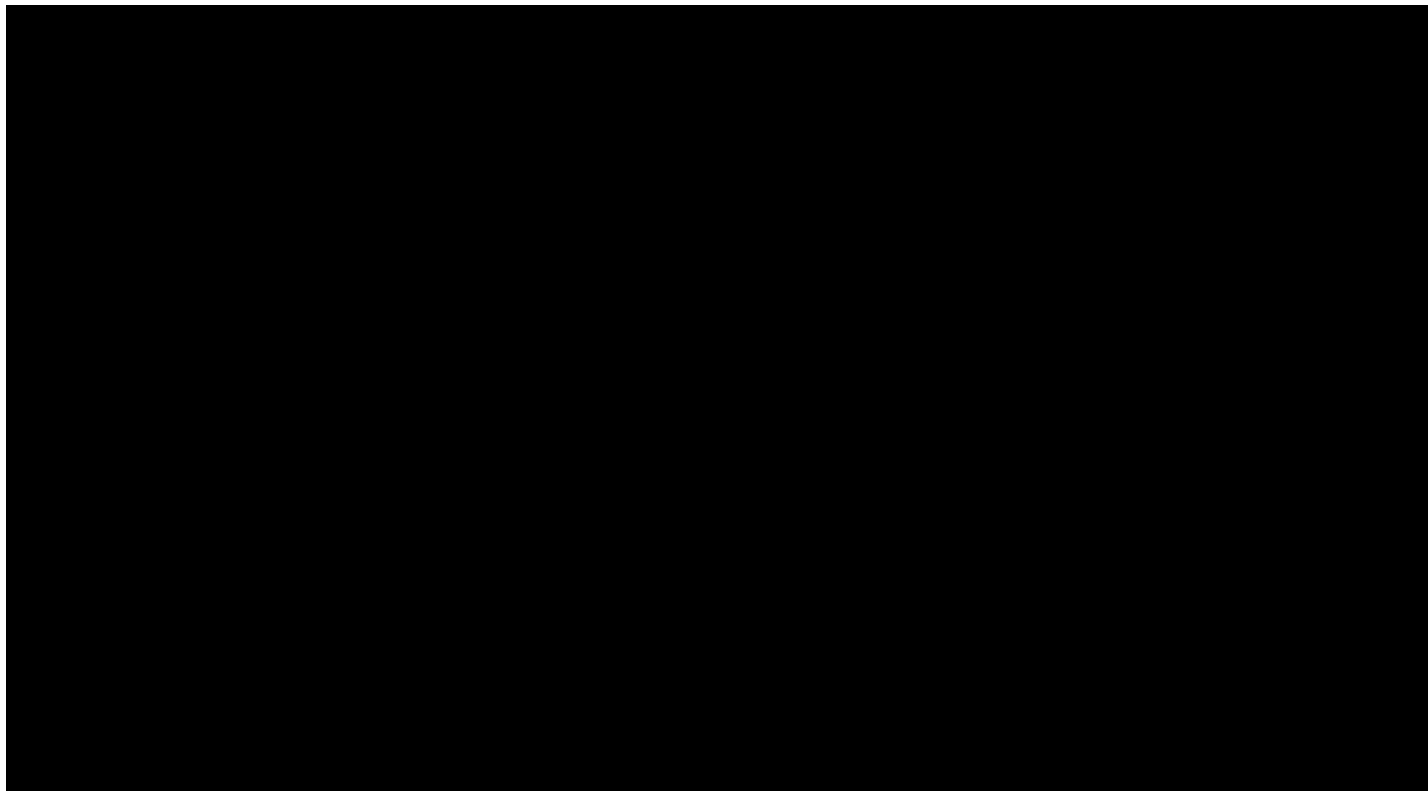


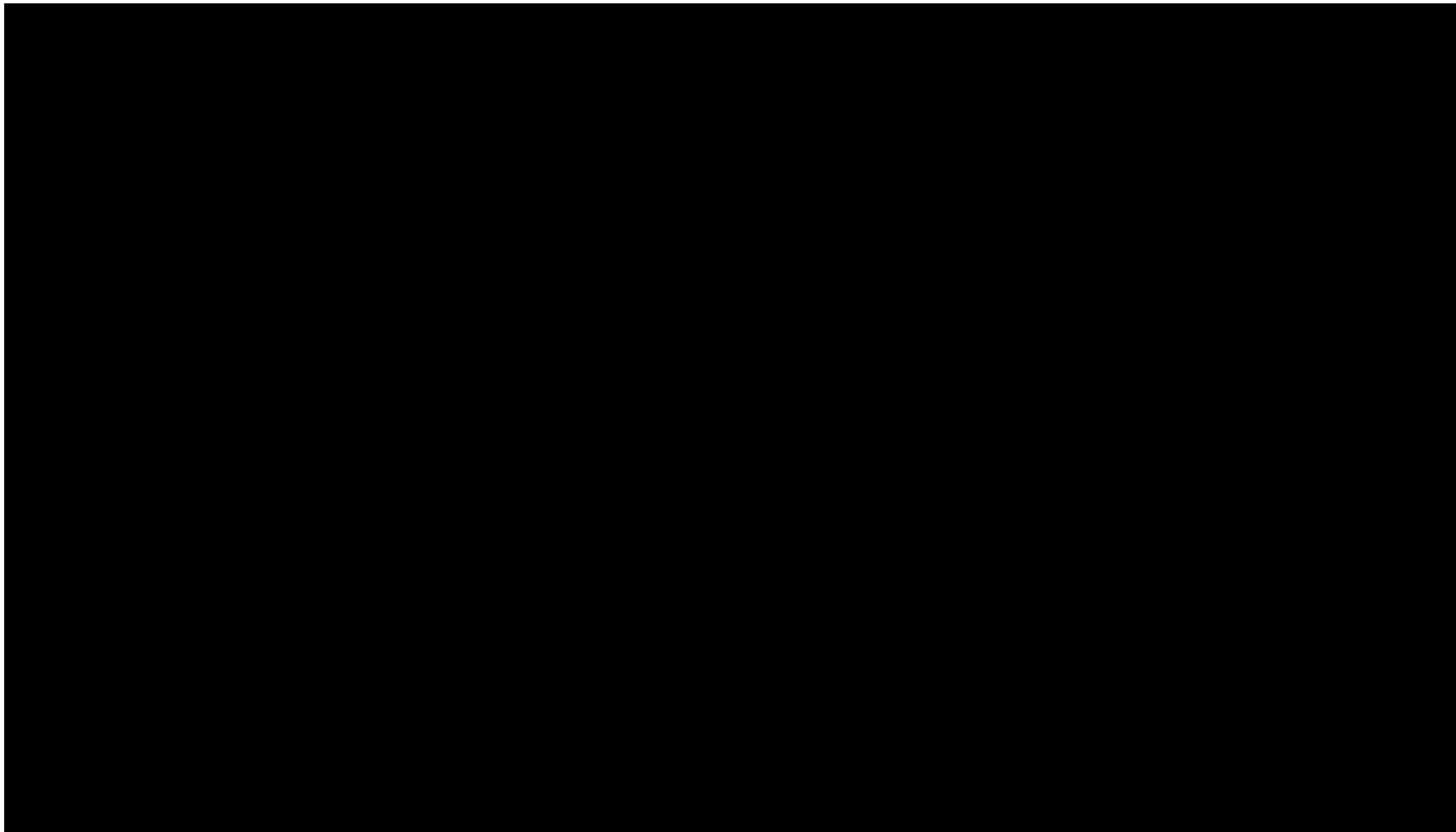


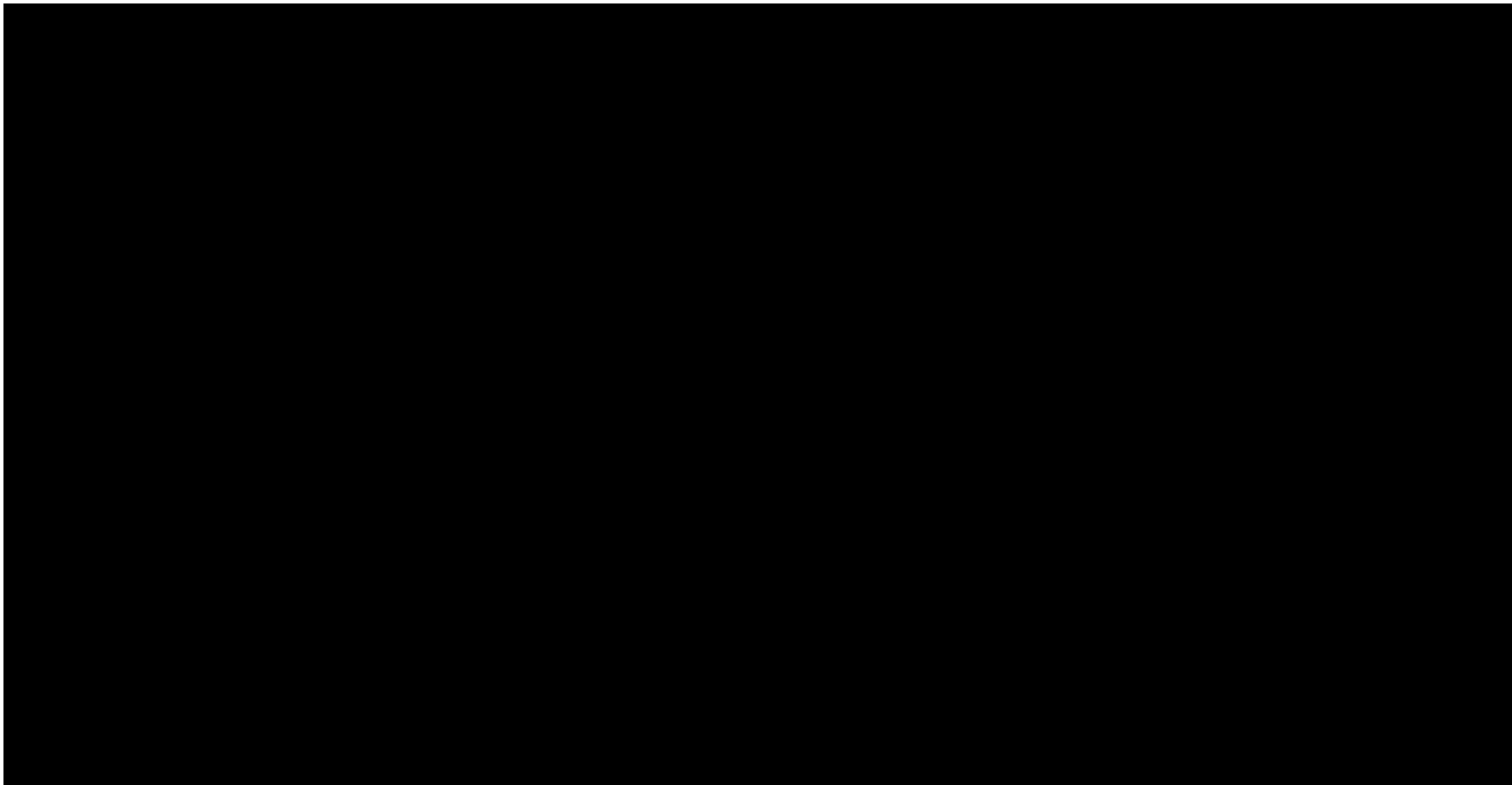


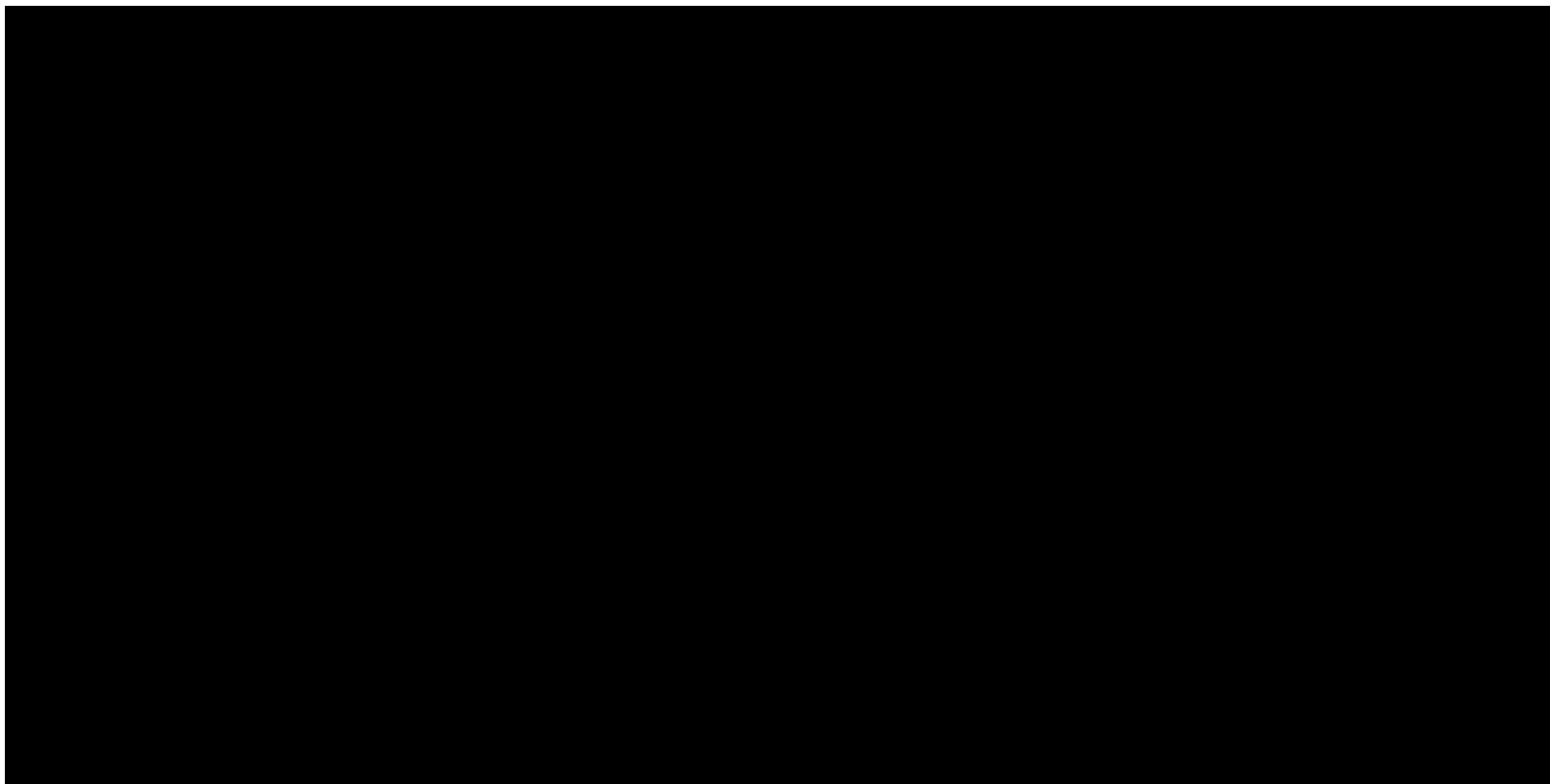


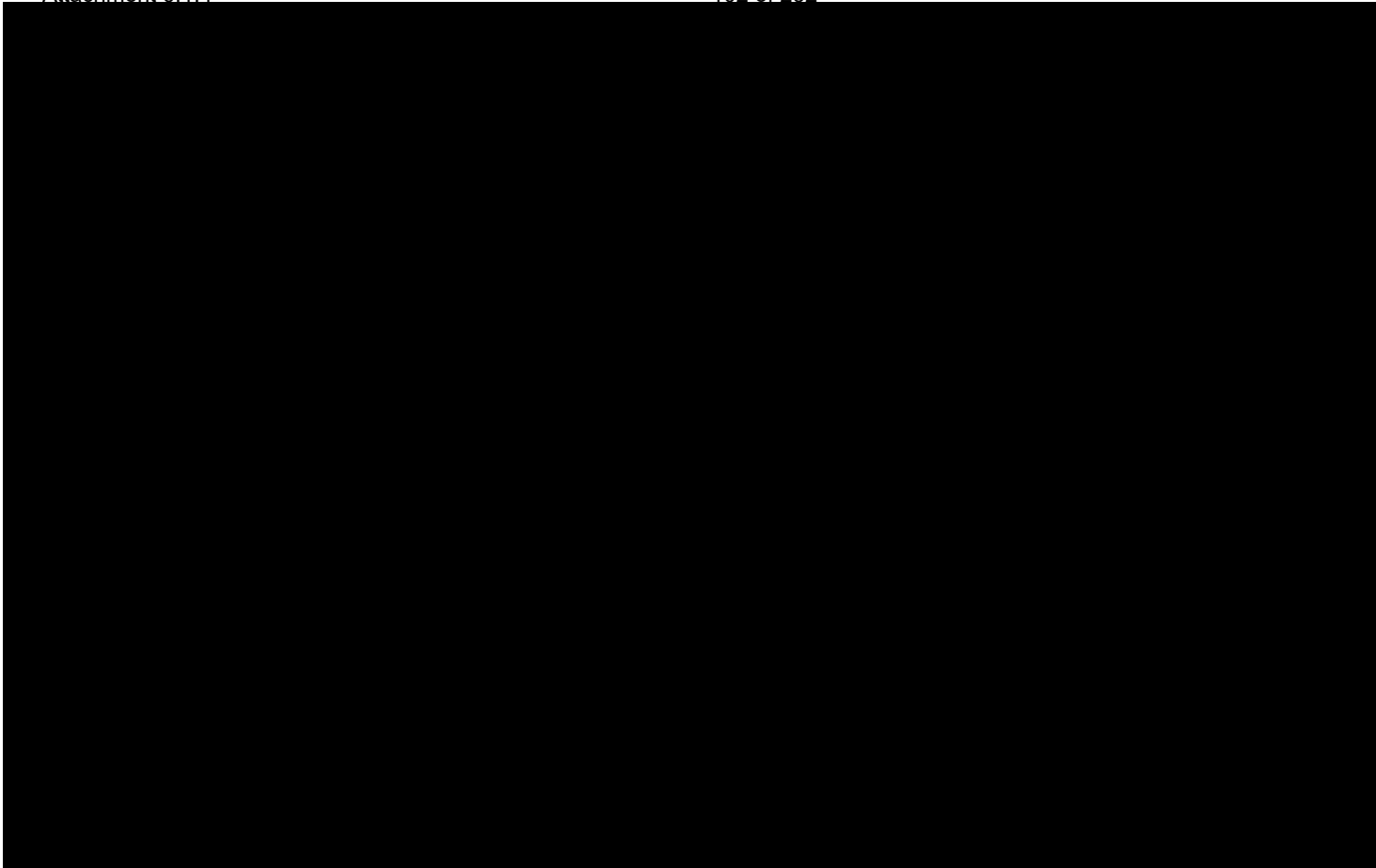


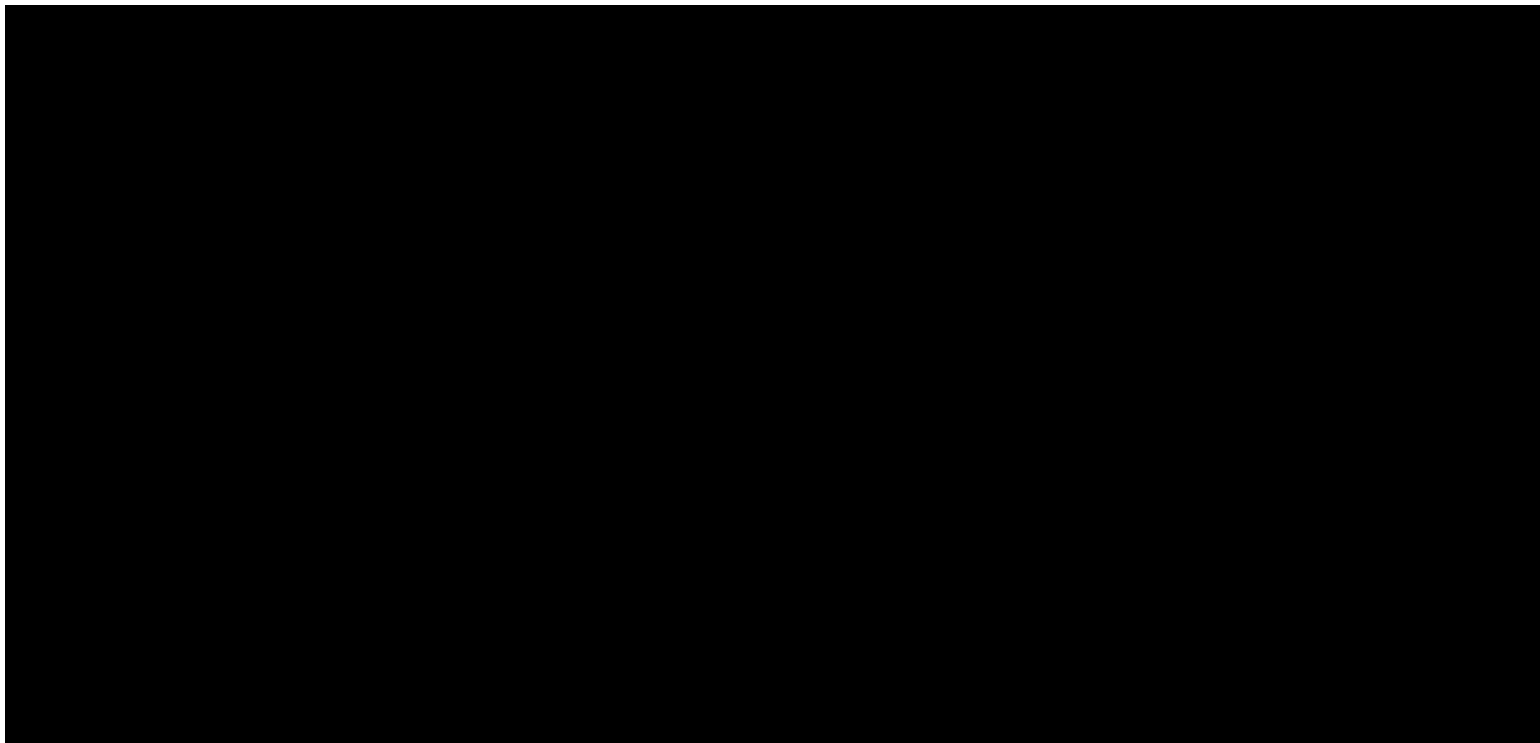


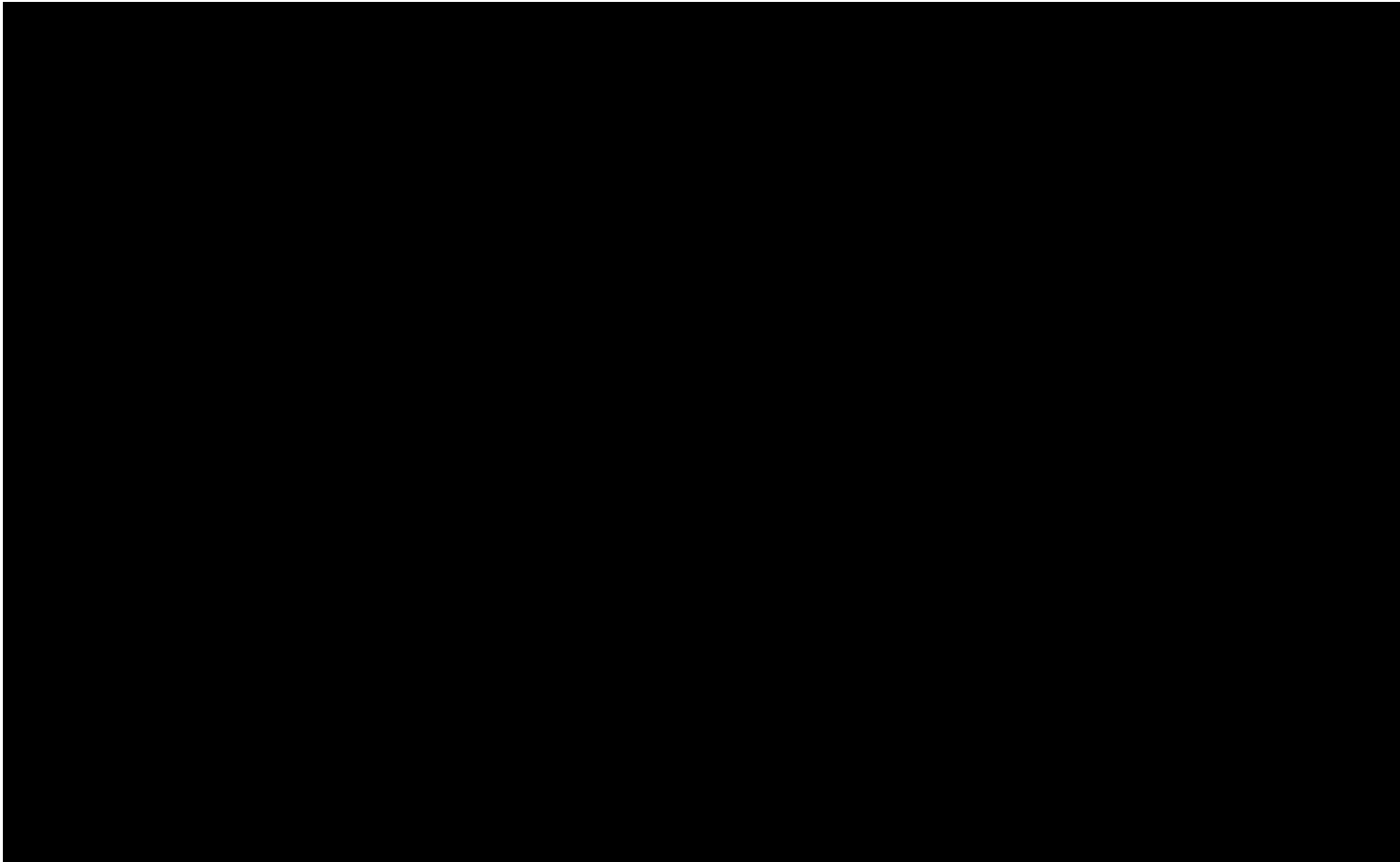


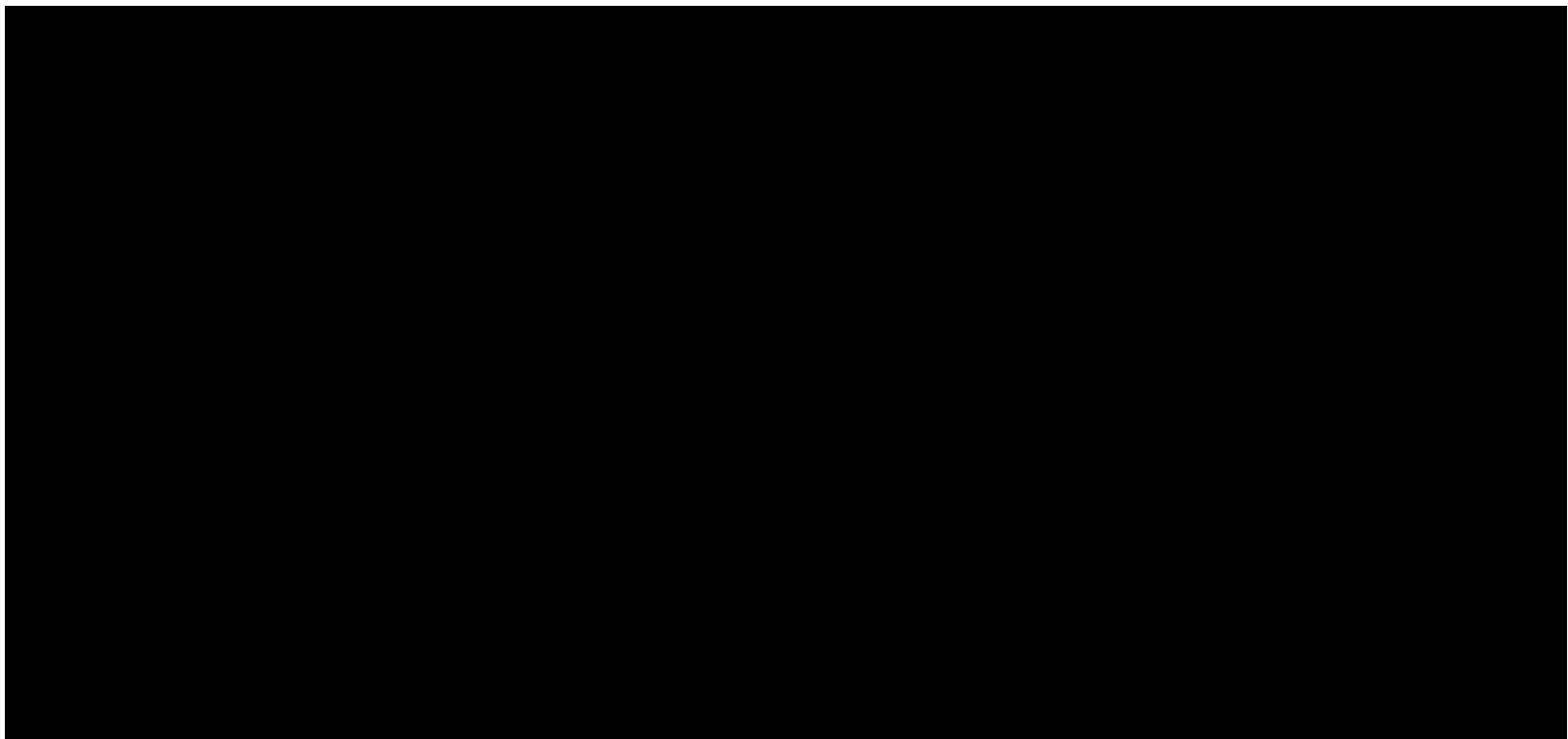


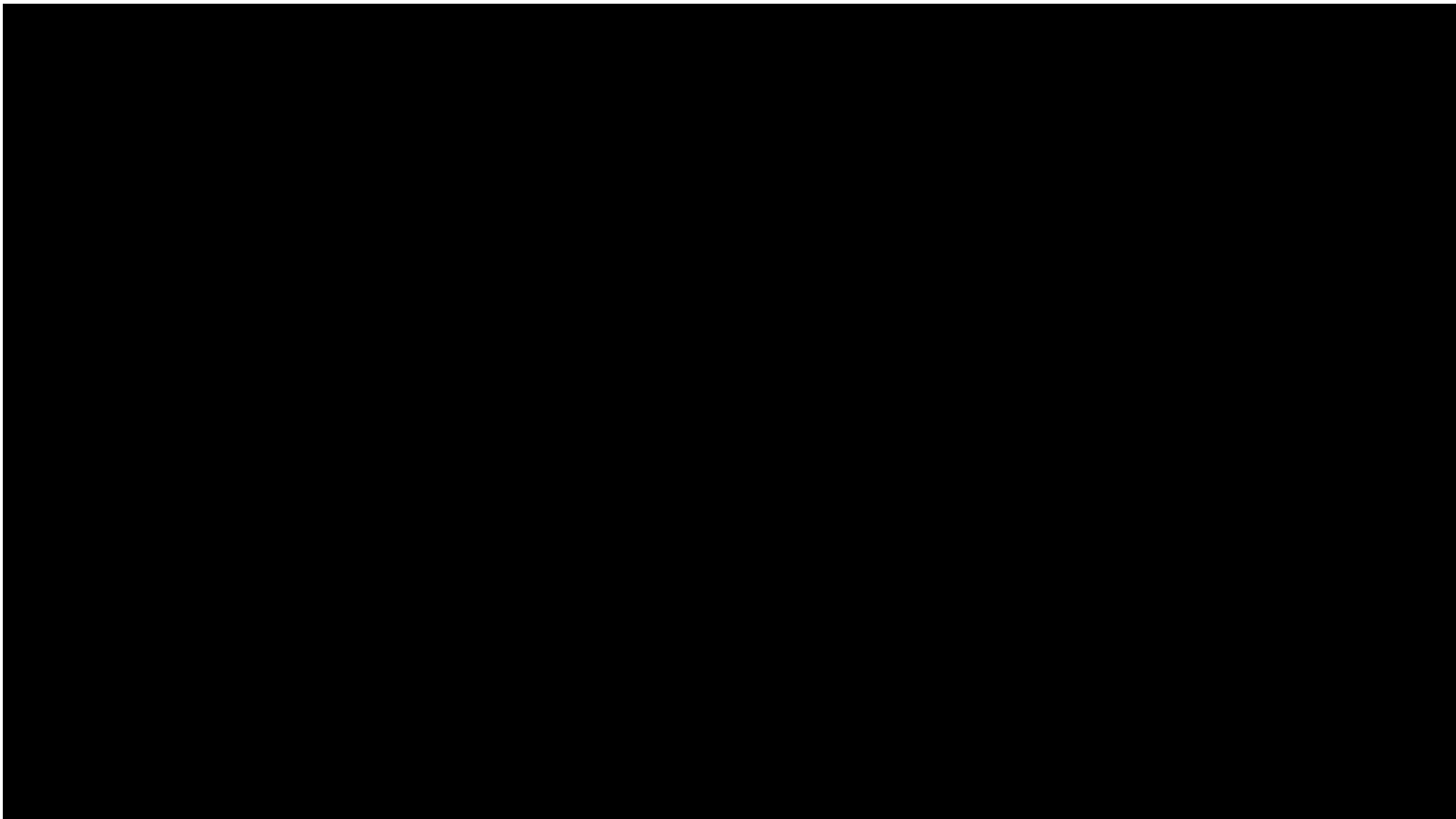


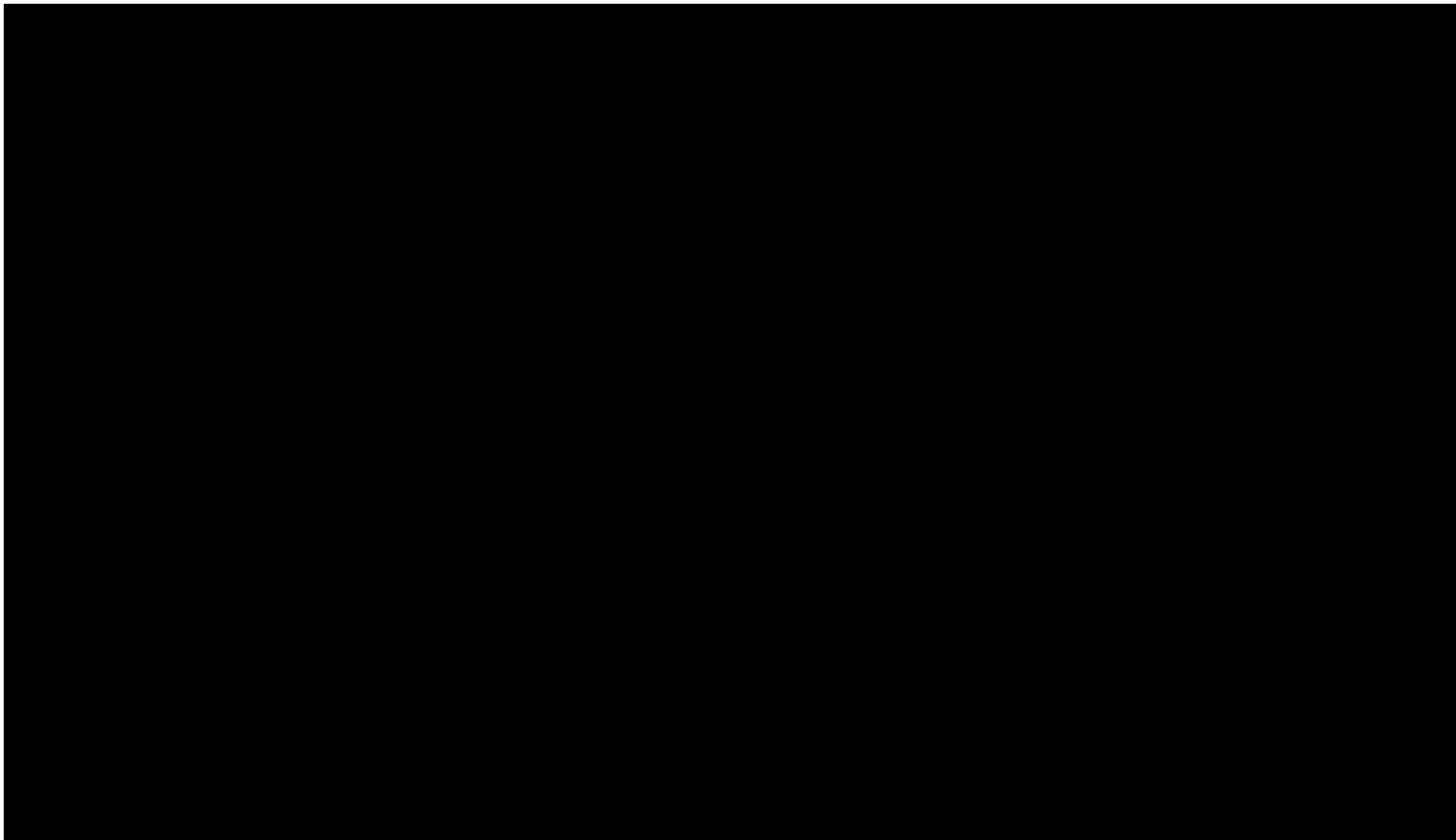


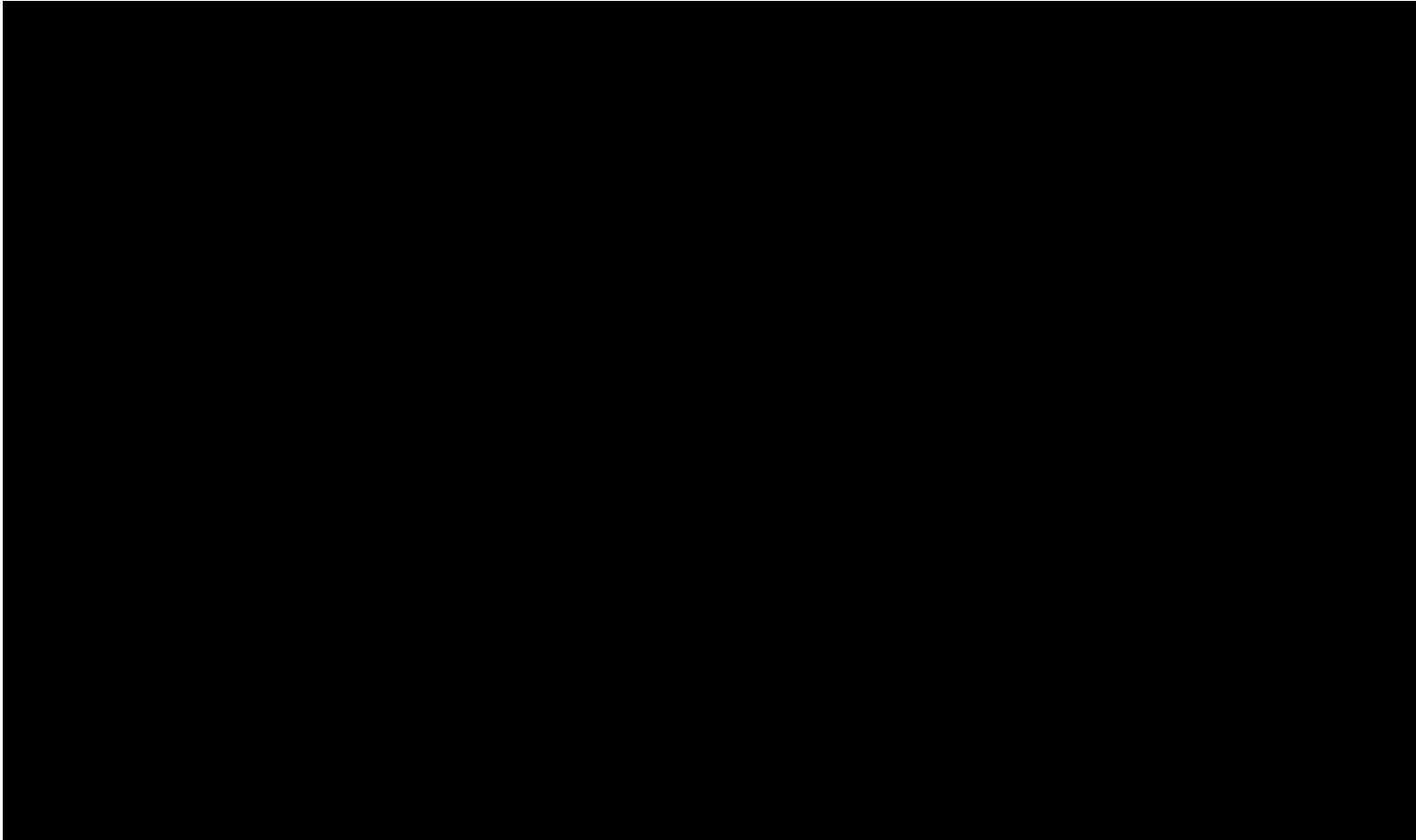


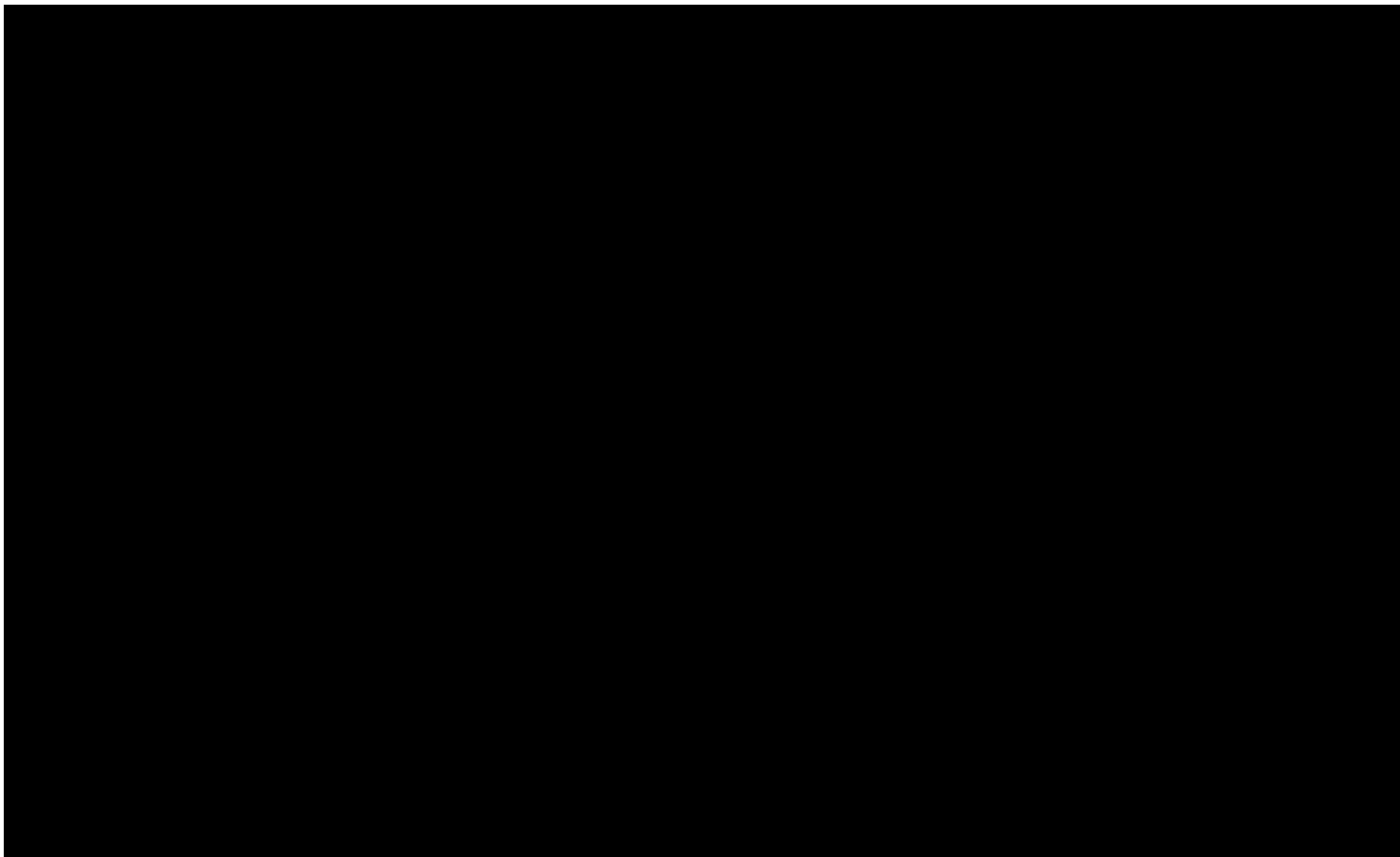


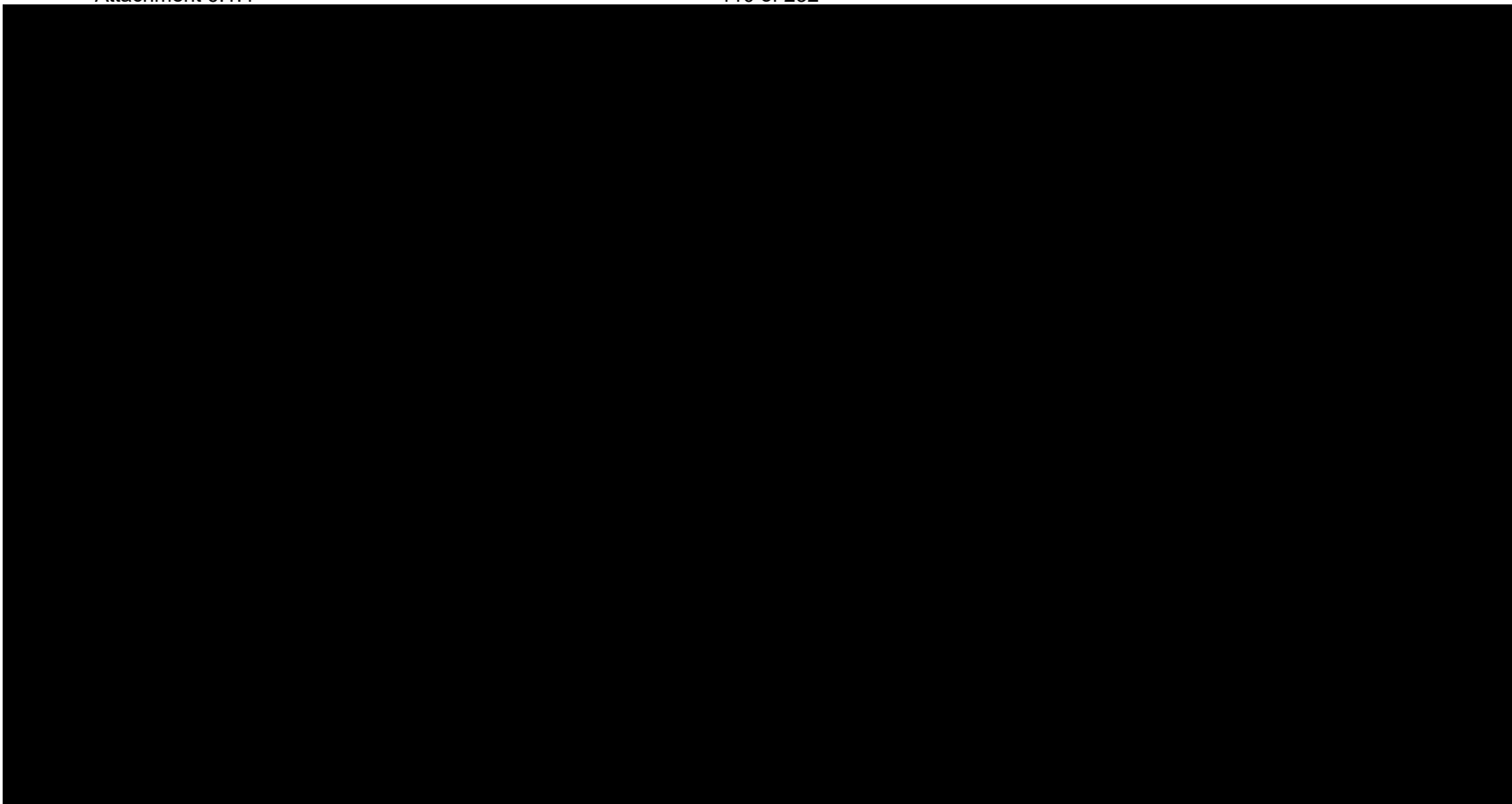


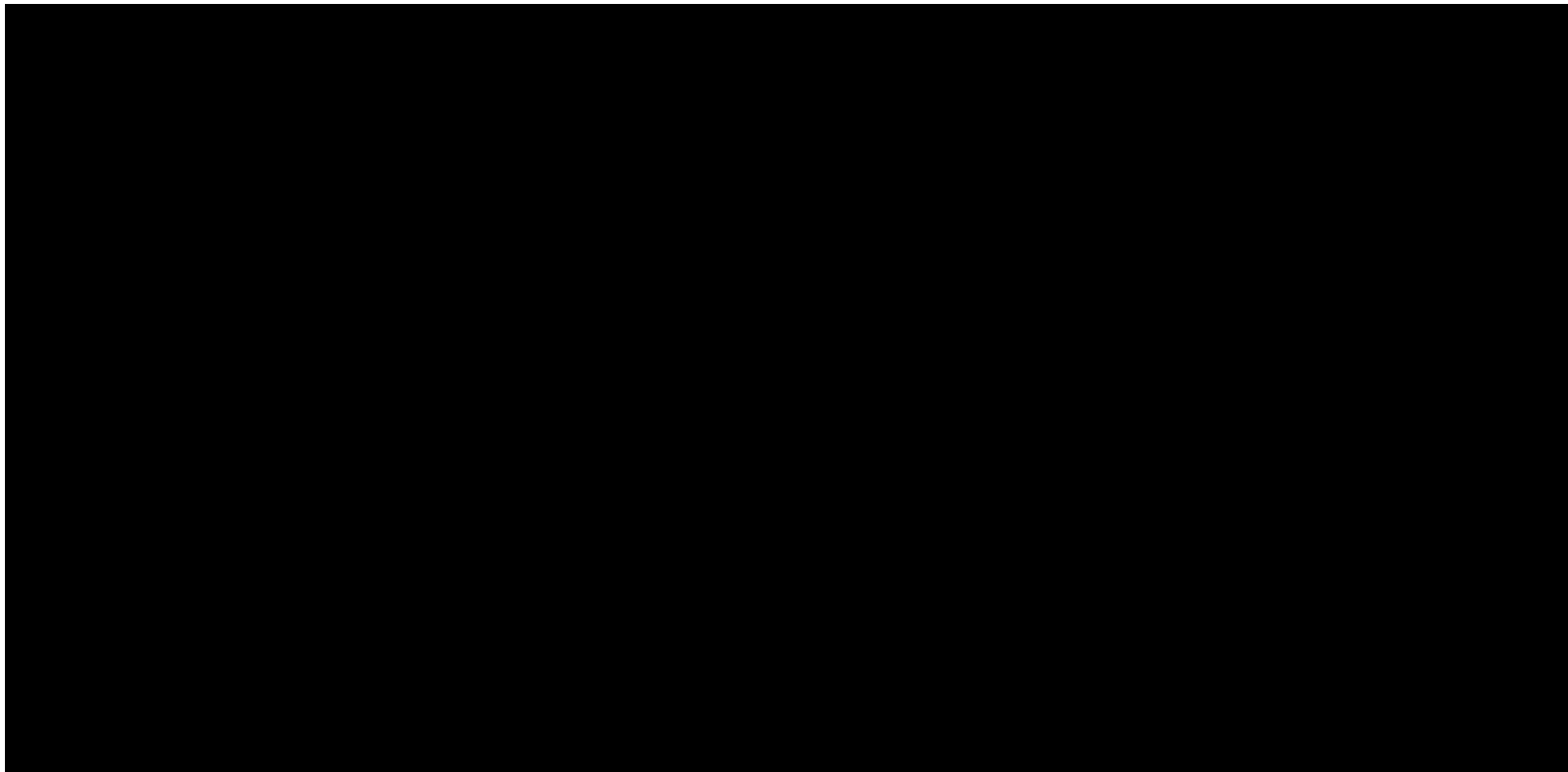


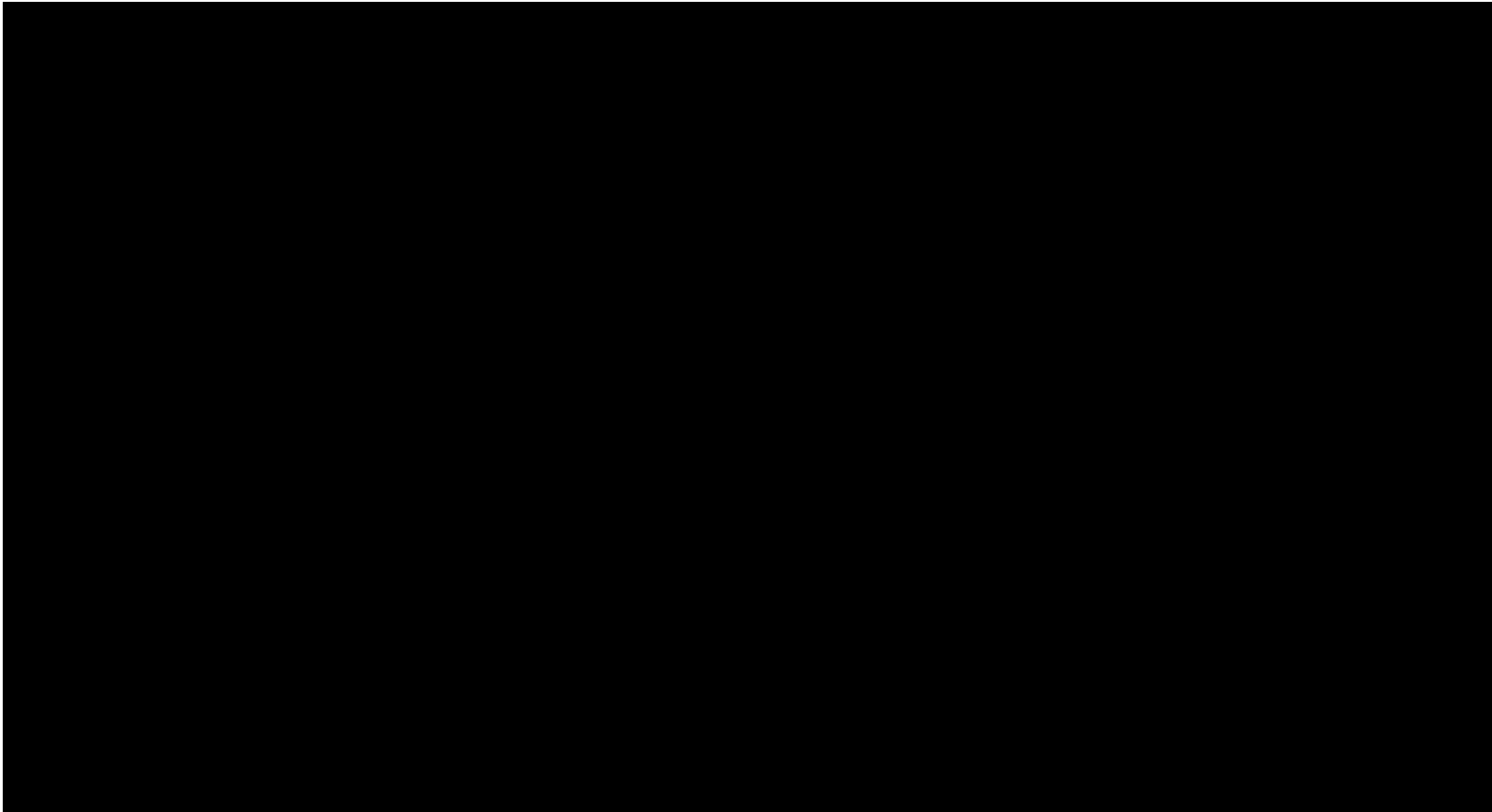


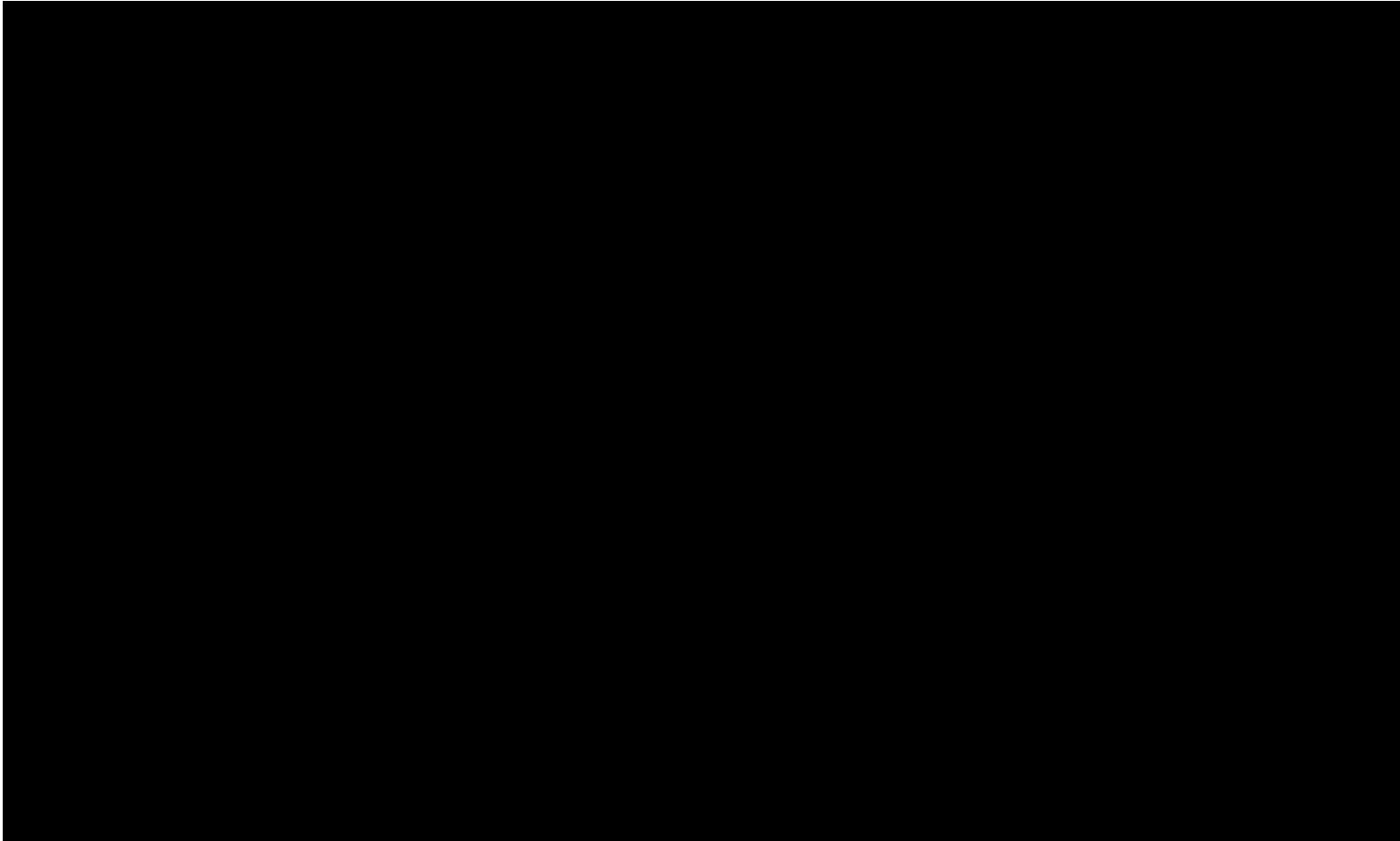


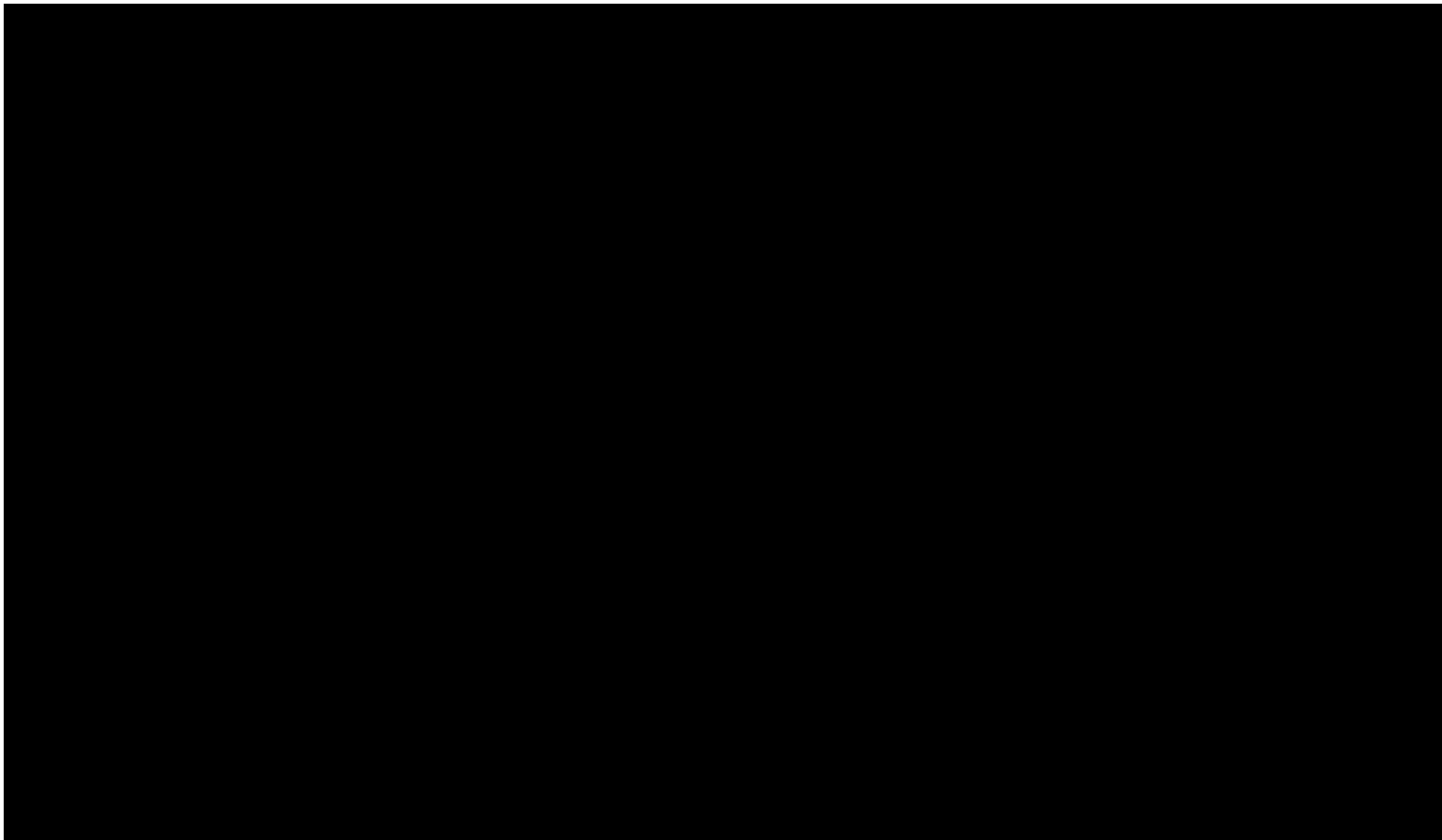


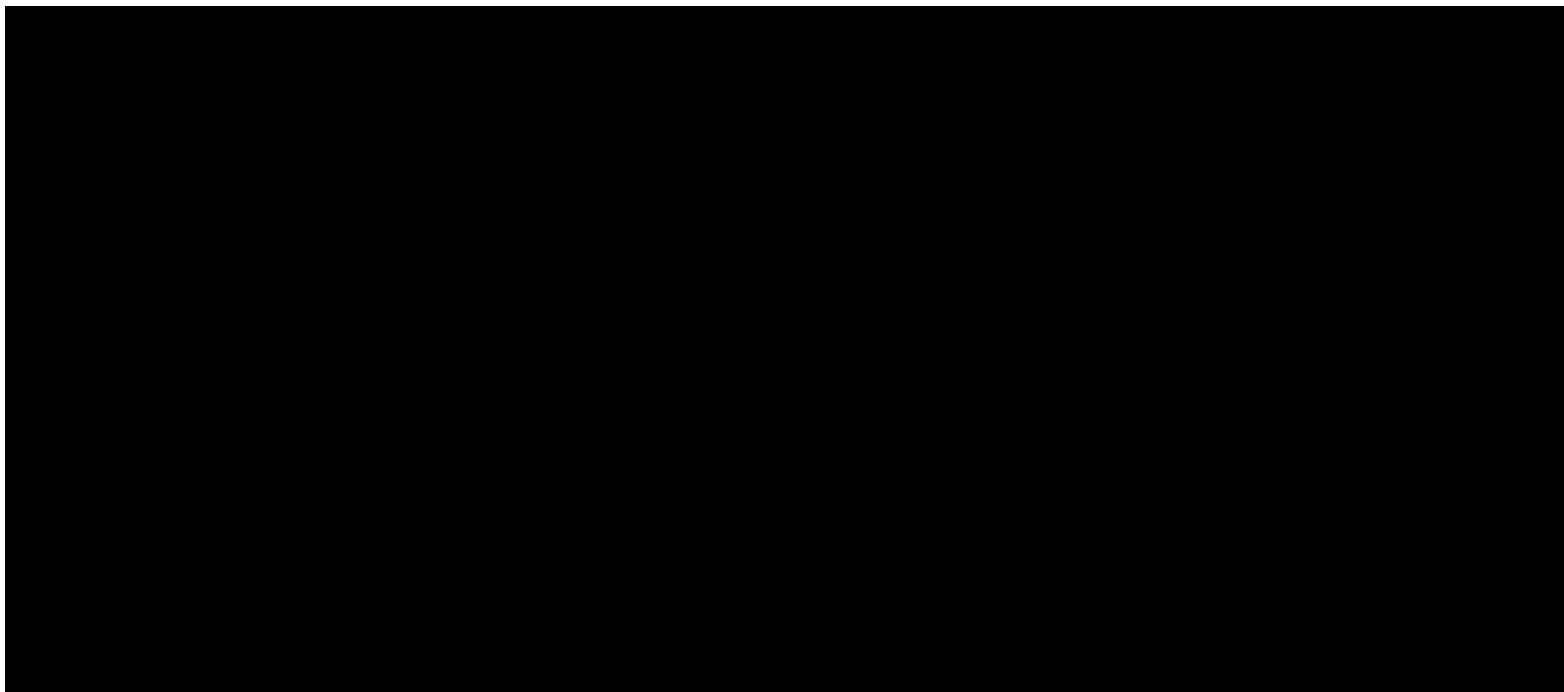


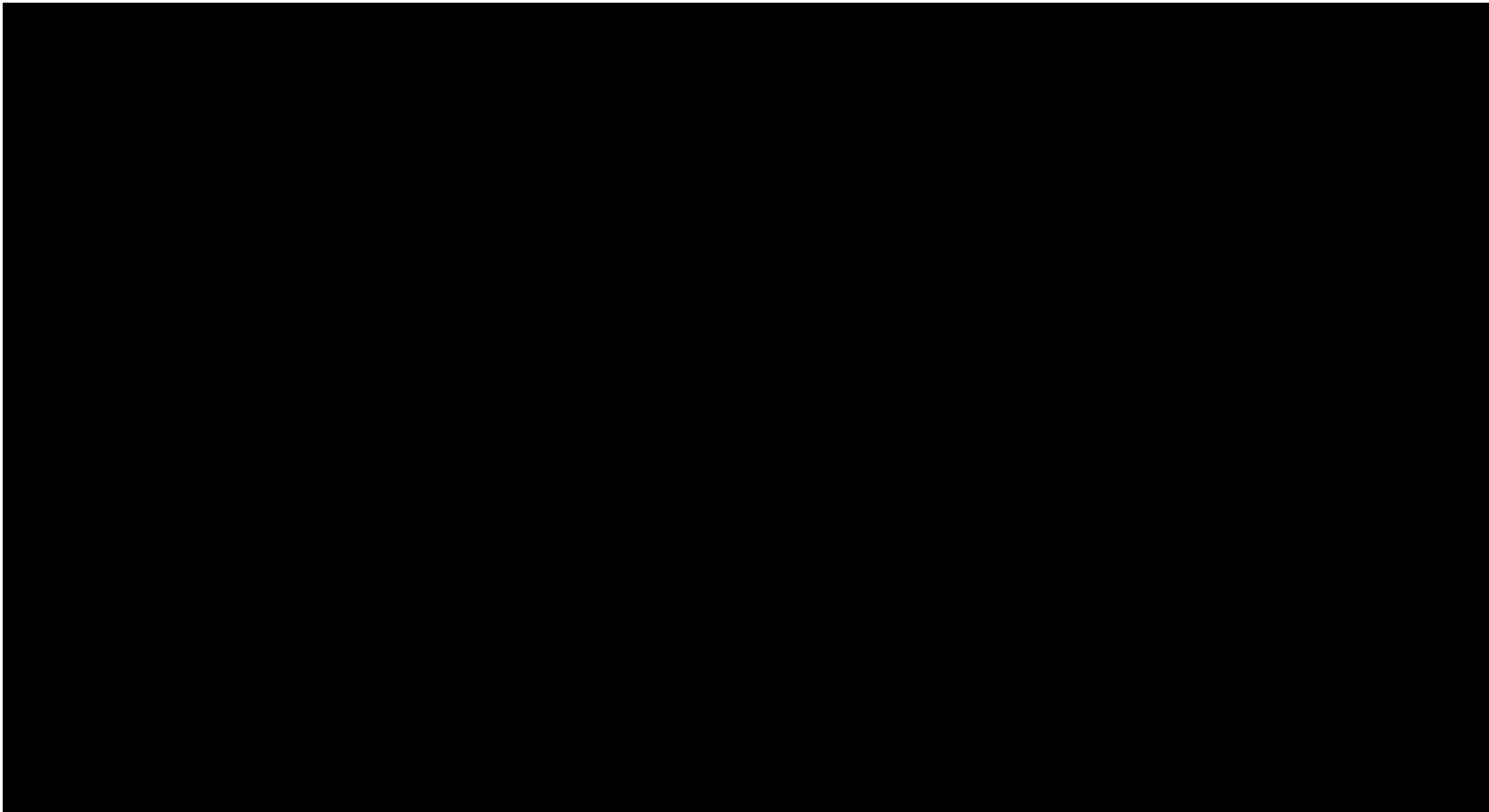


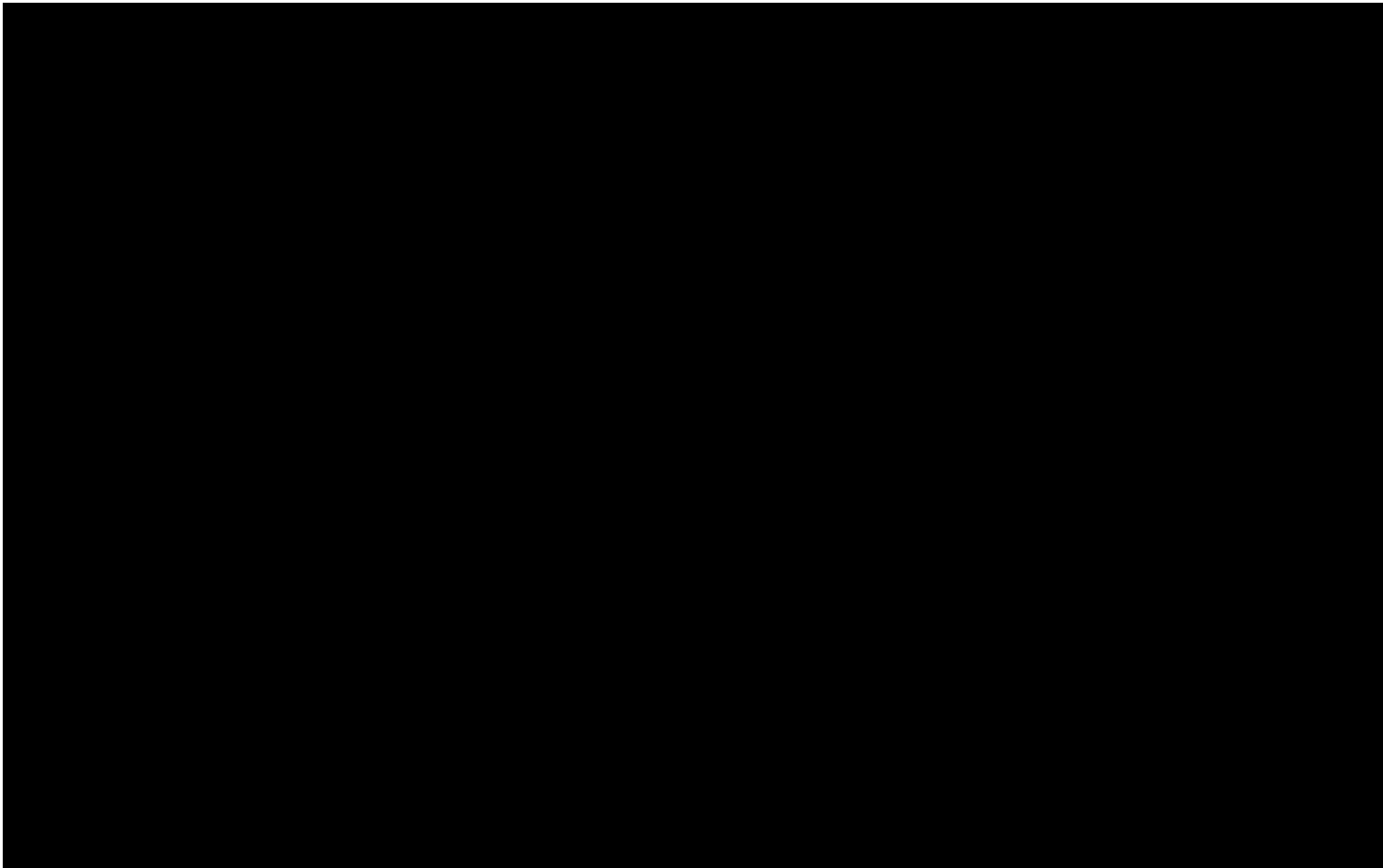


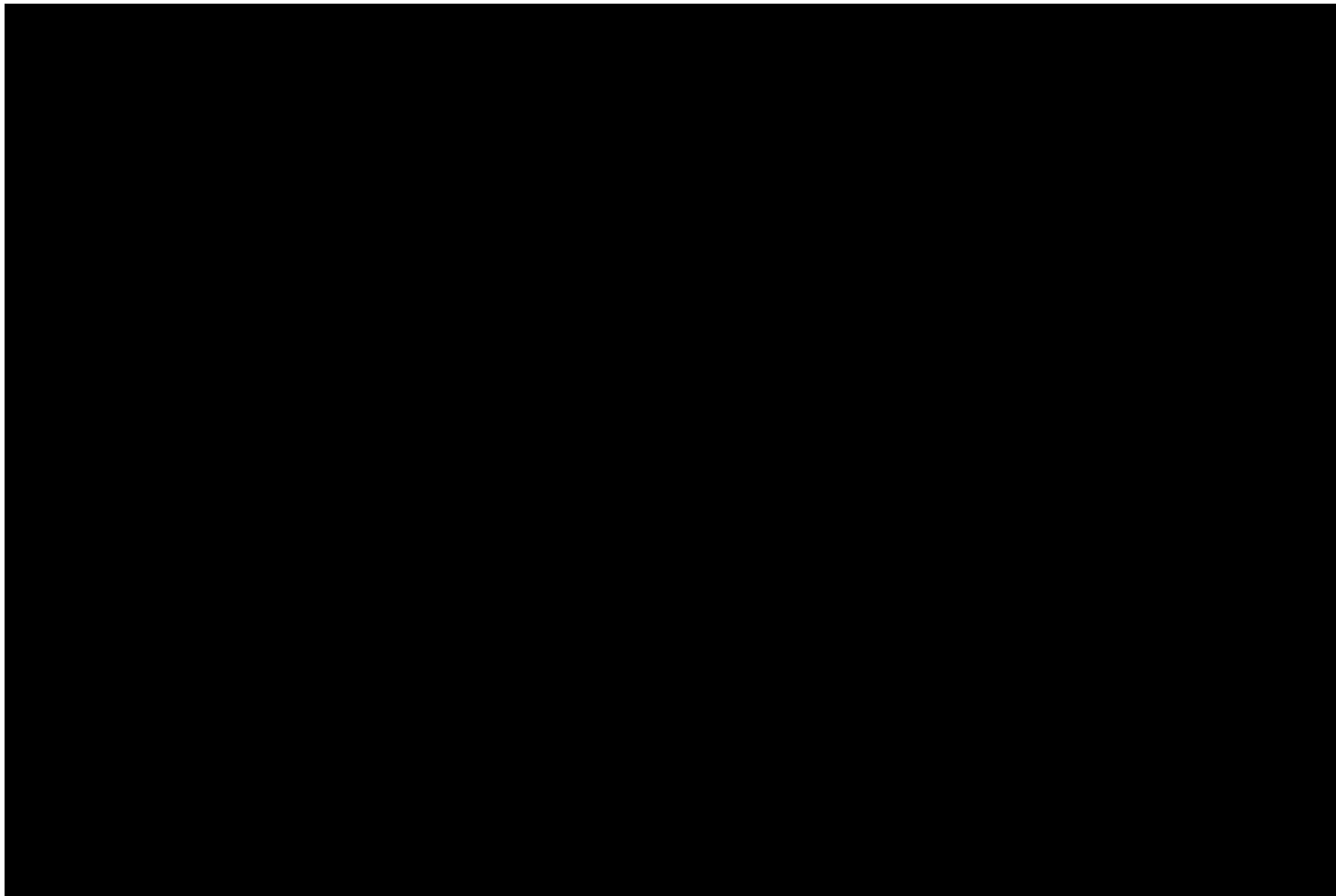


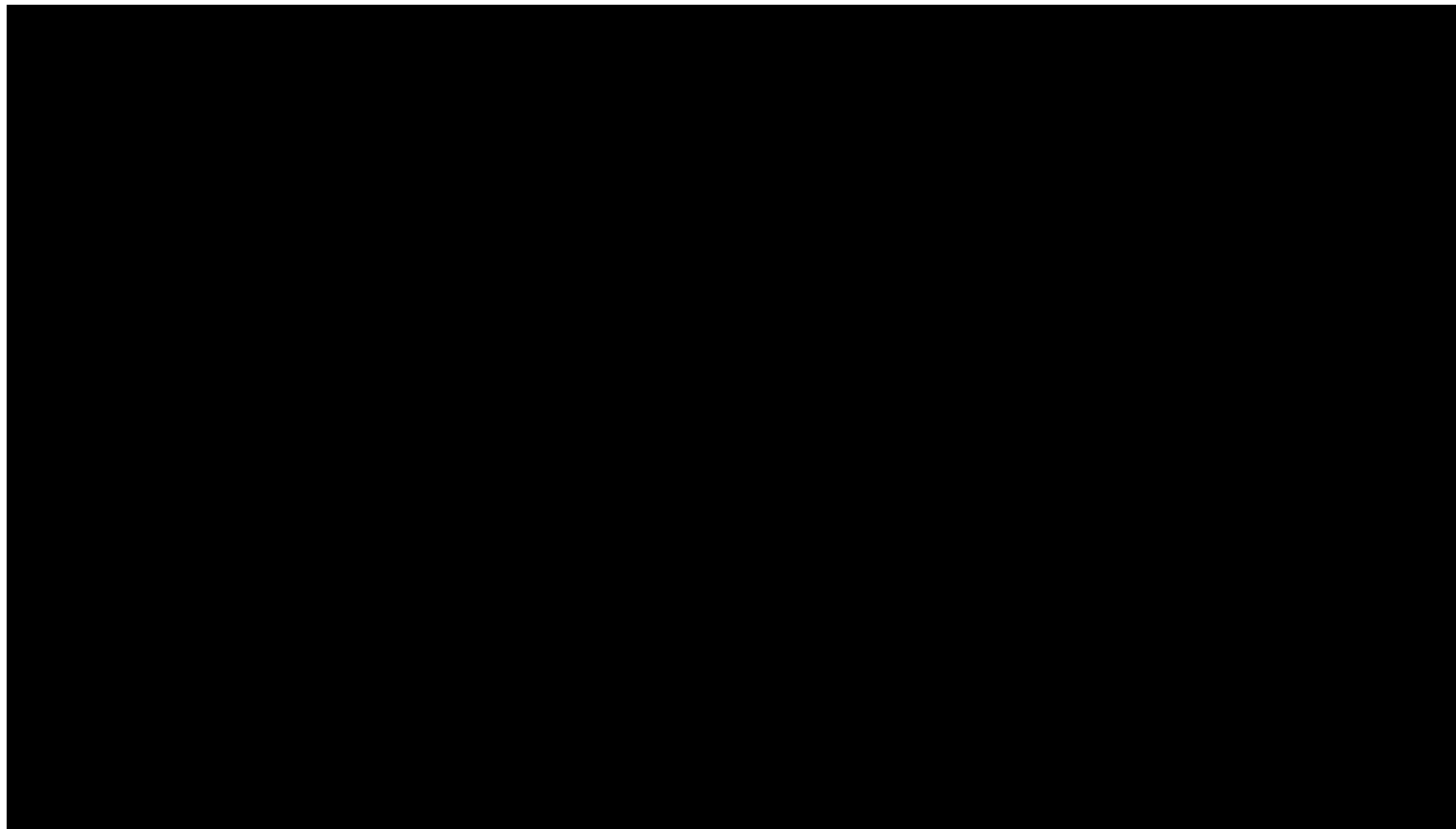


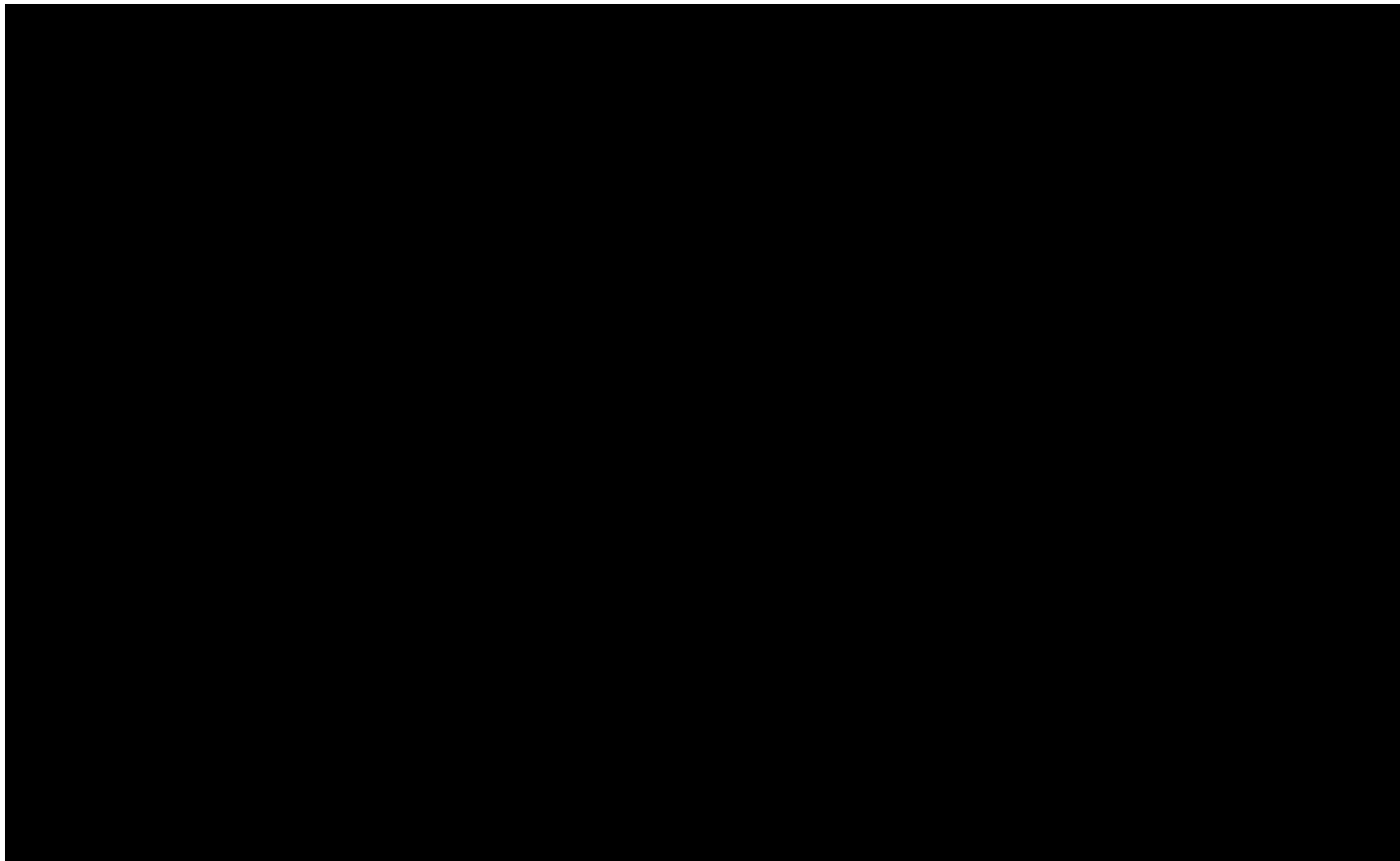


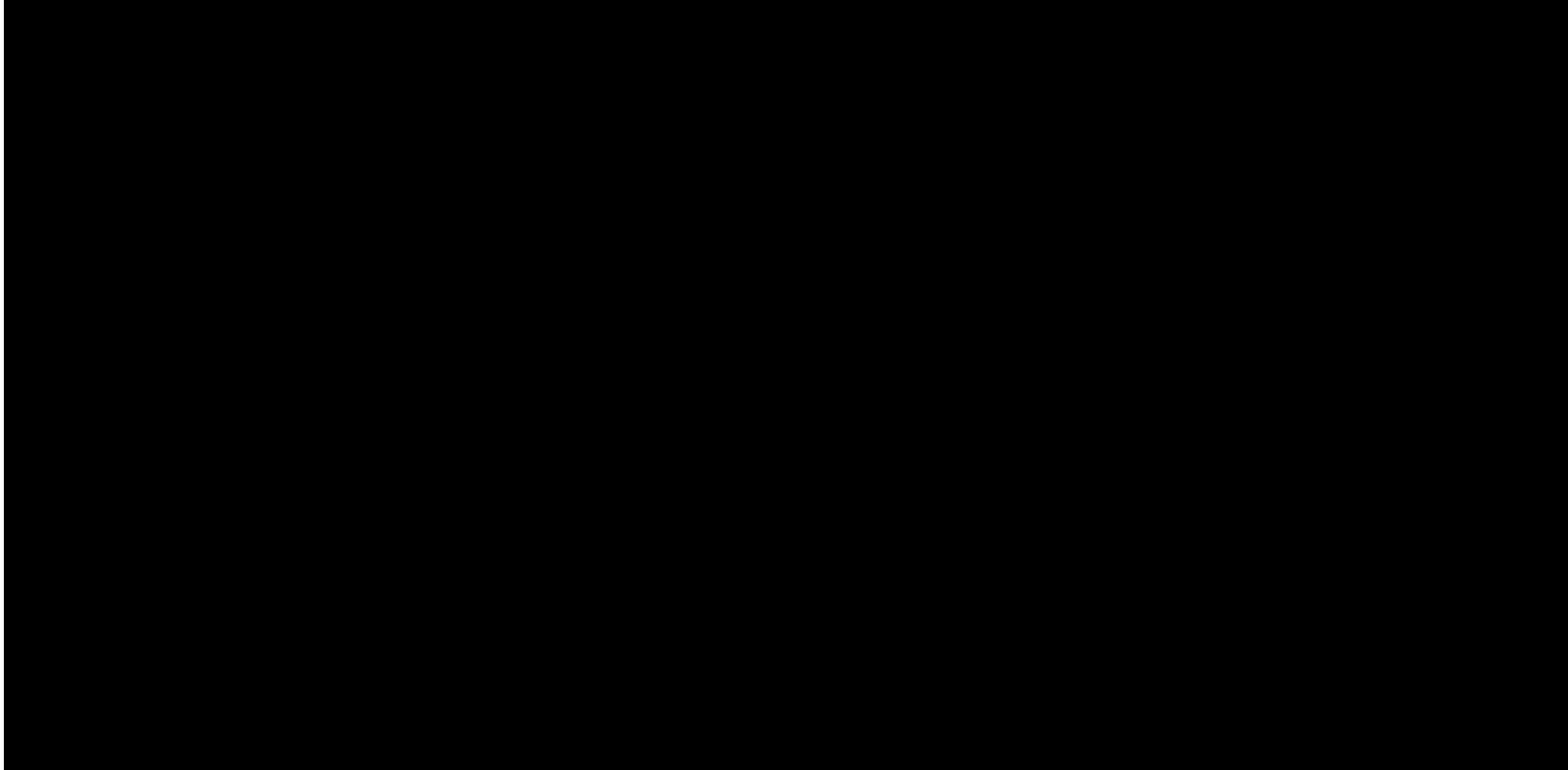




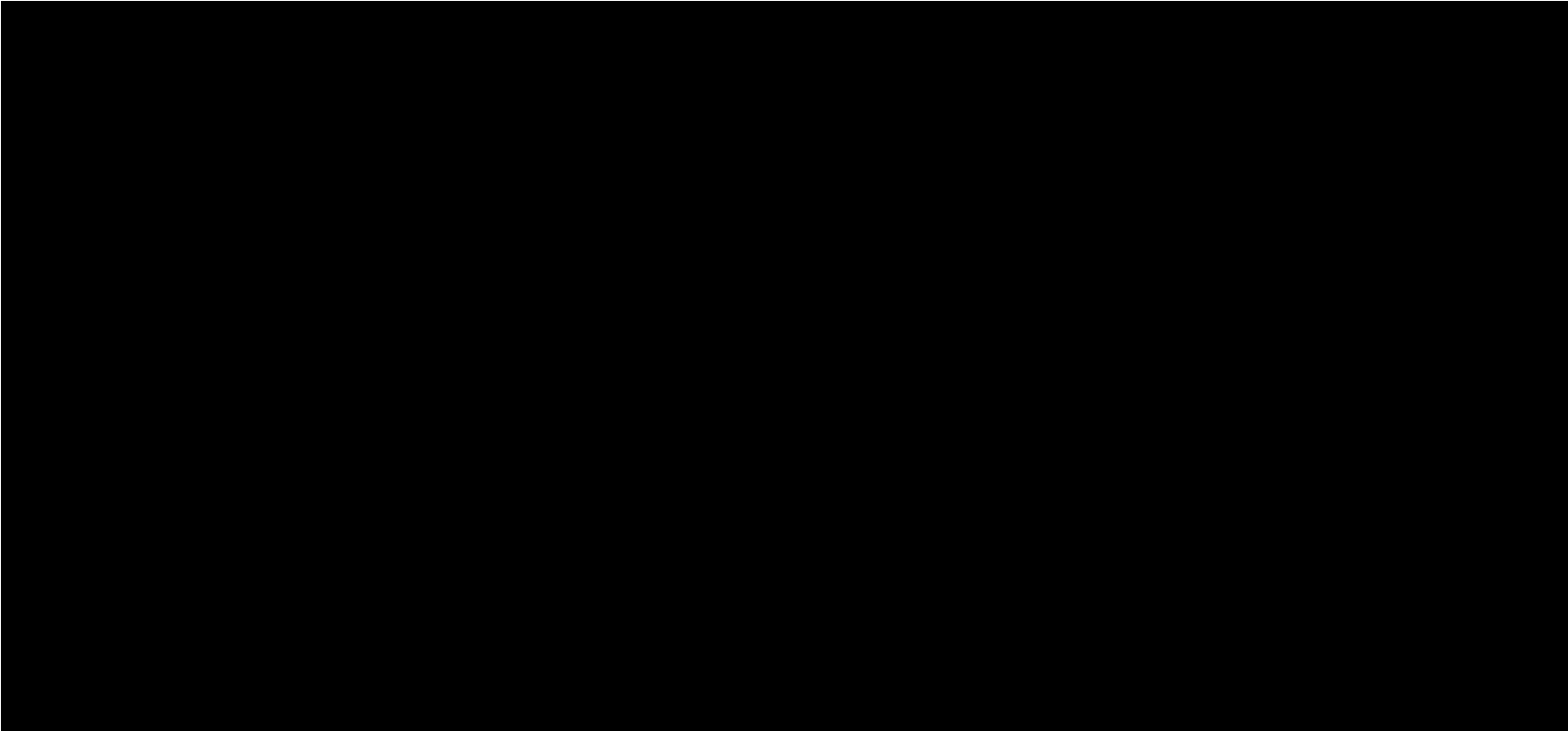




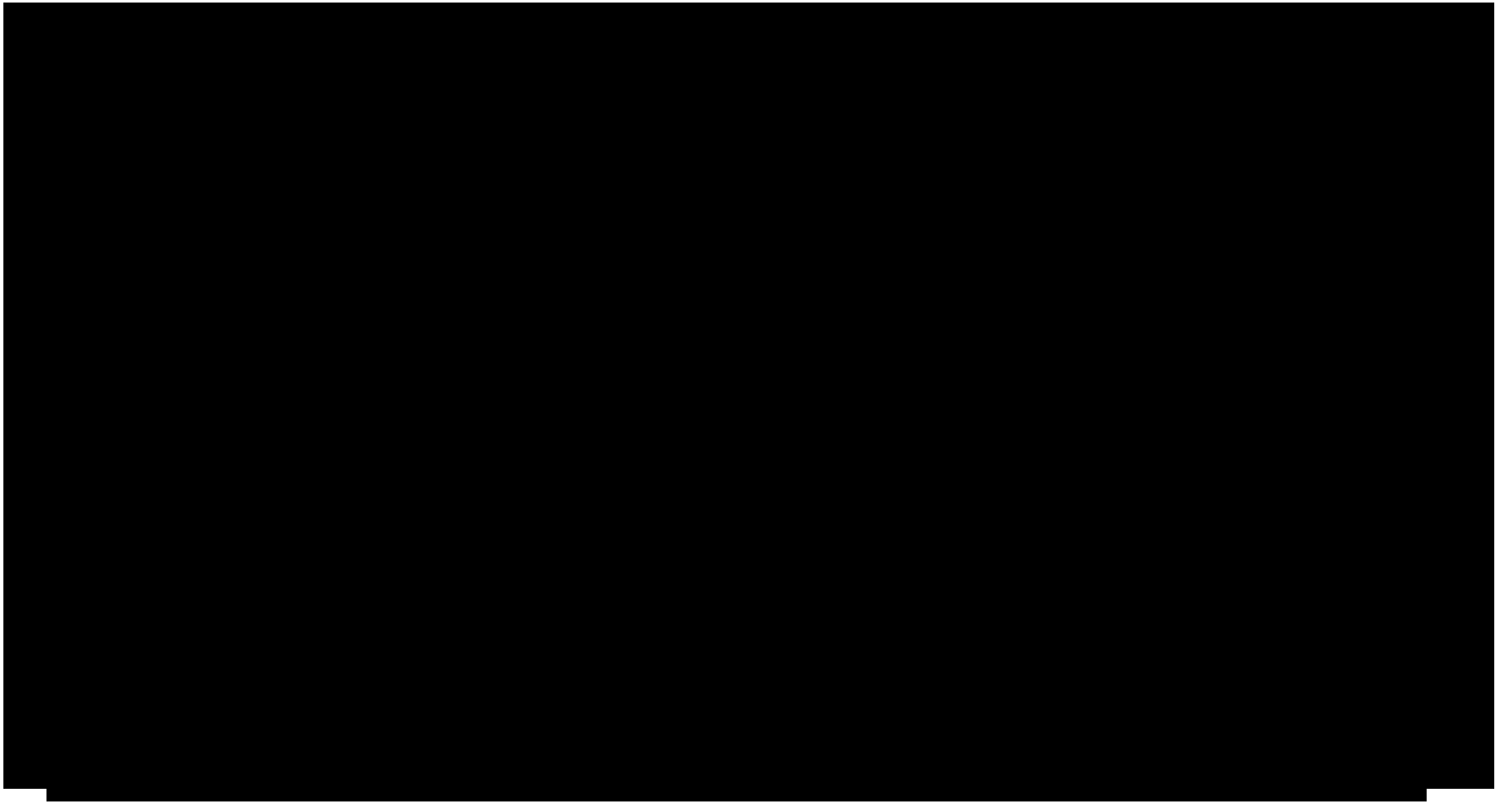


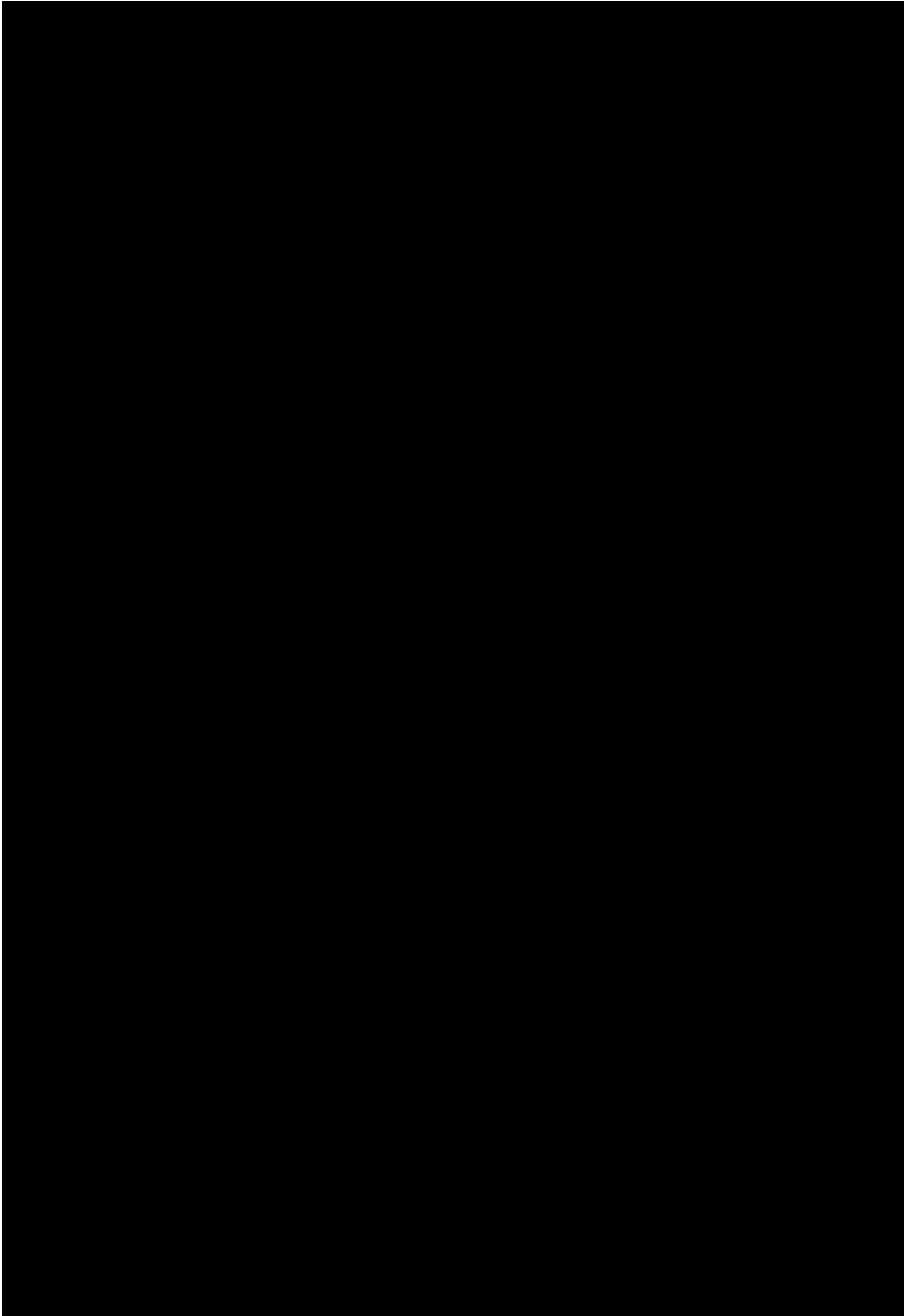


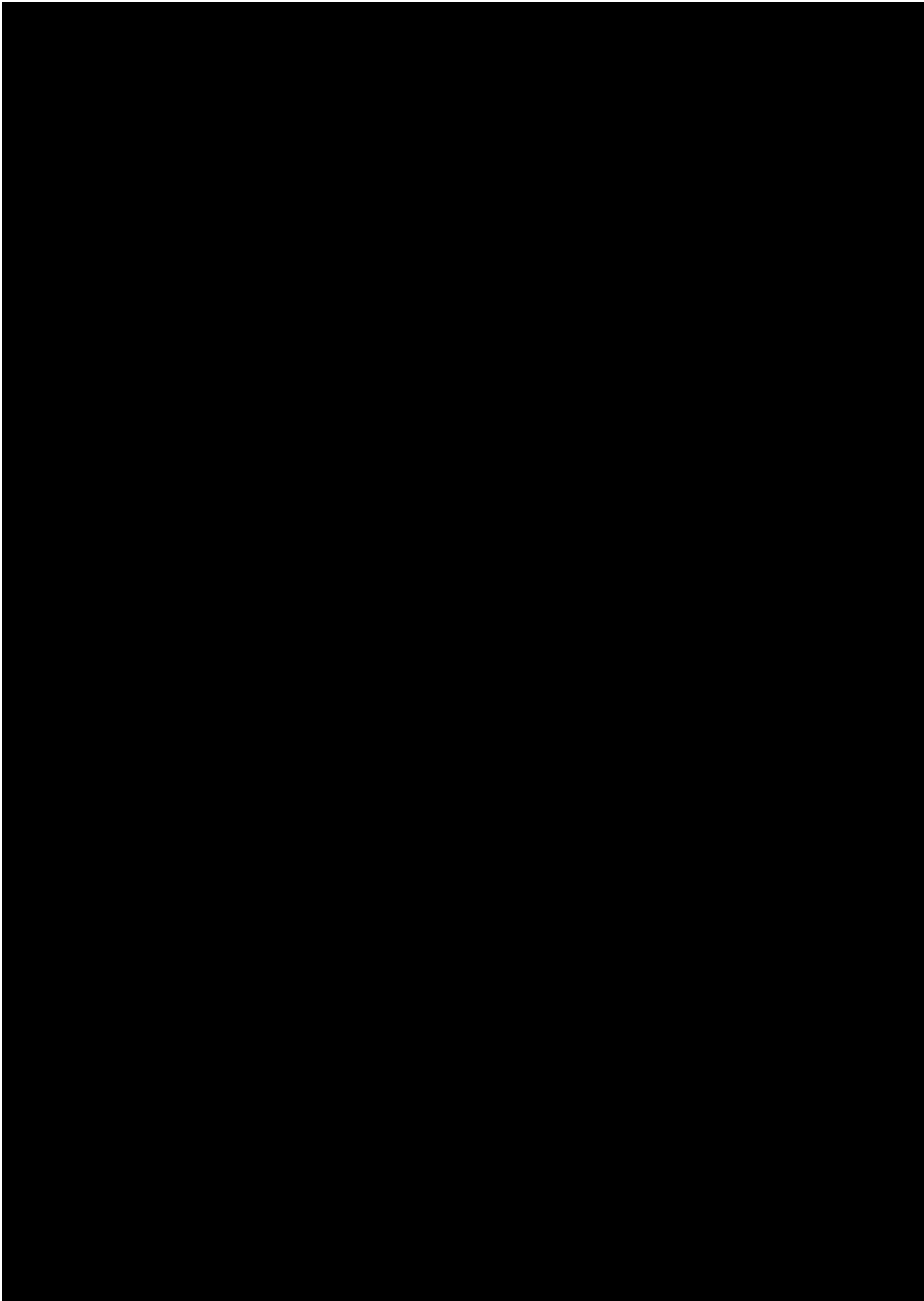
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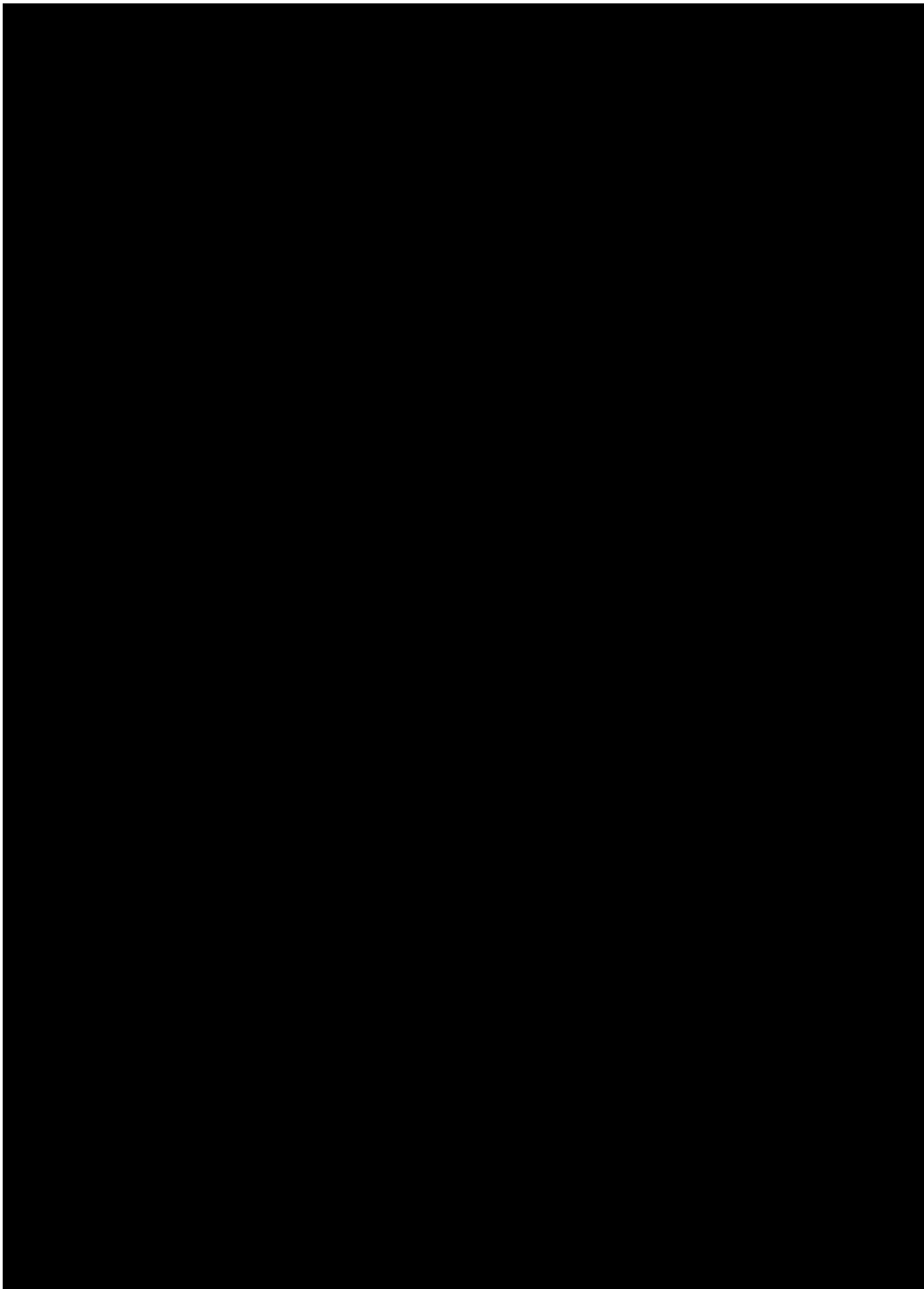


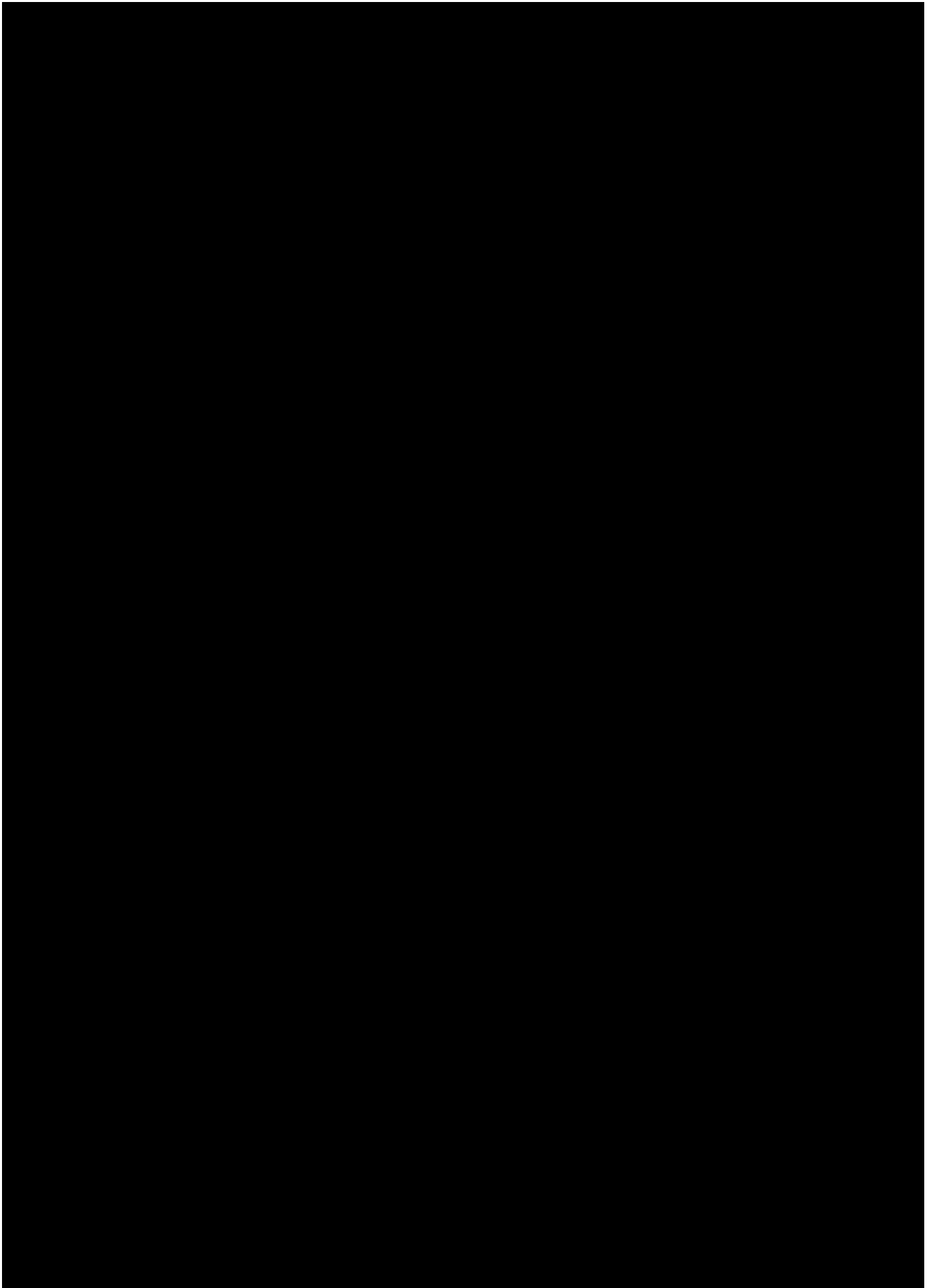
Audit Committee Meeting - 23 August 2021

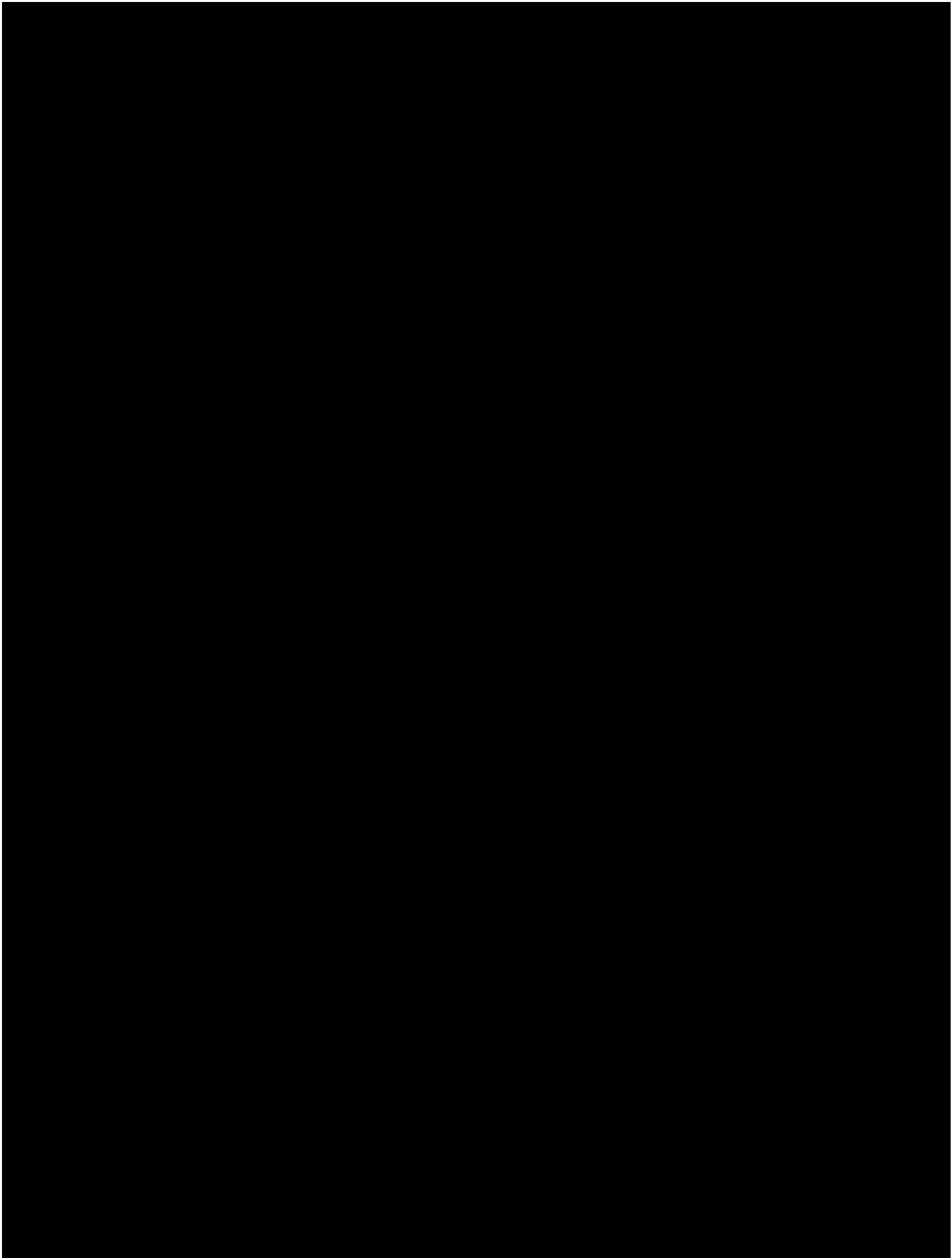


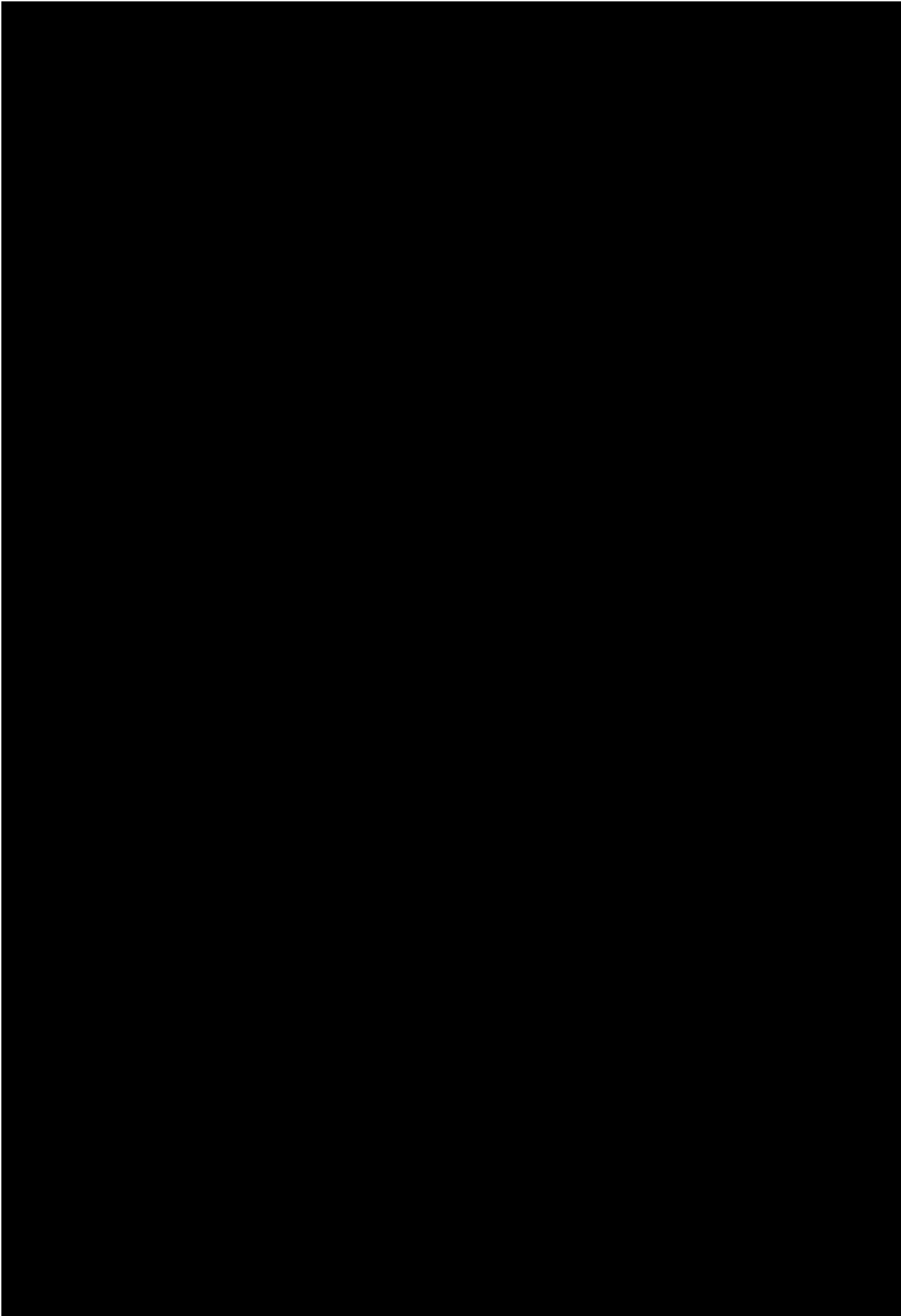


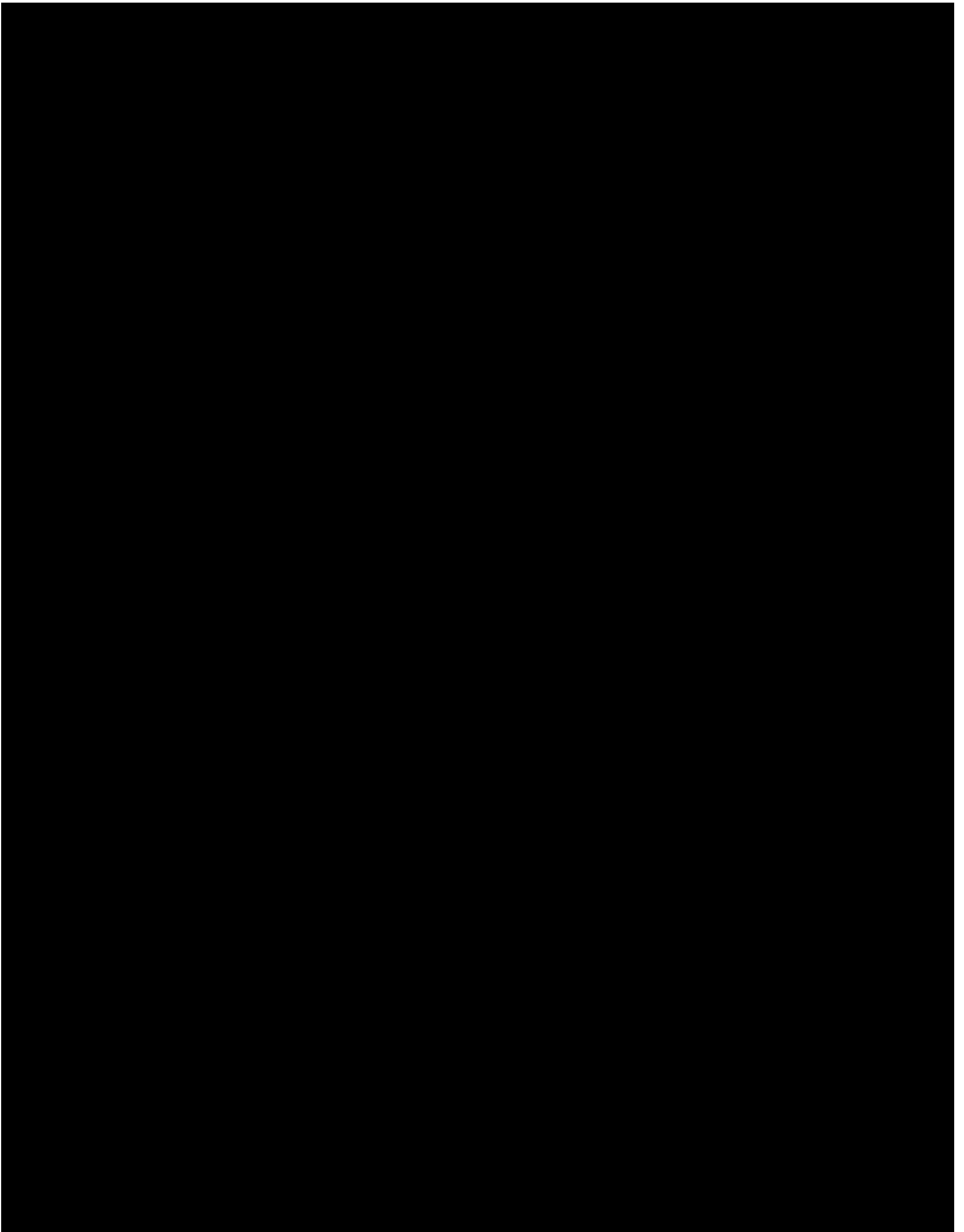


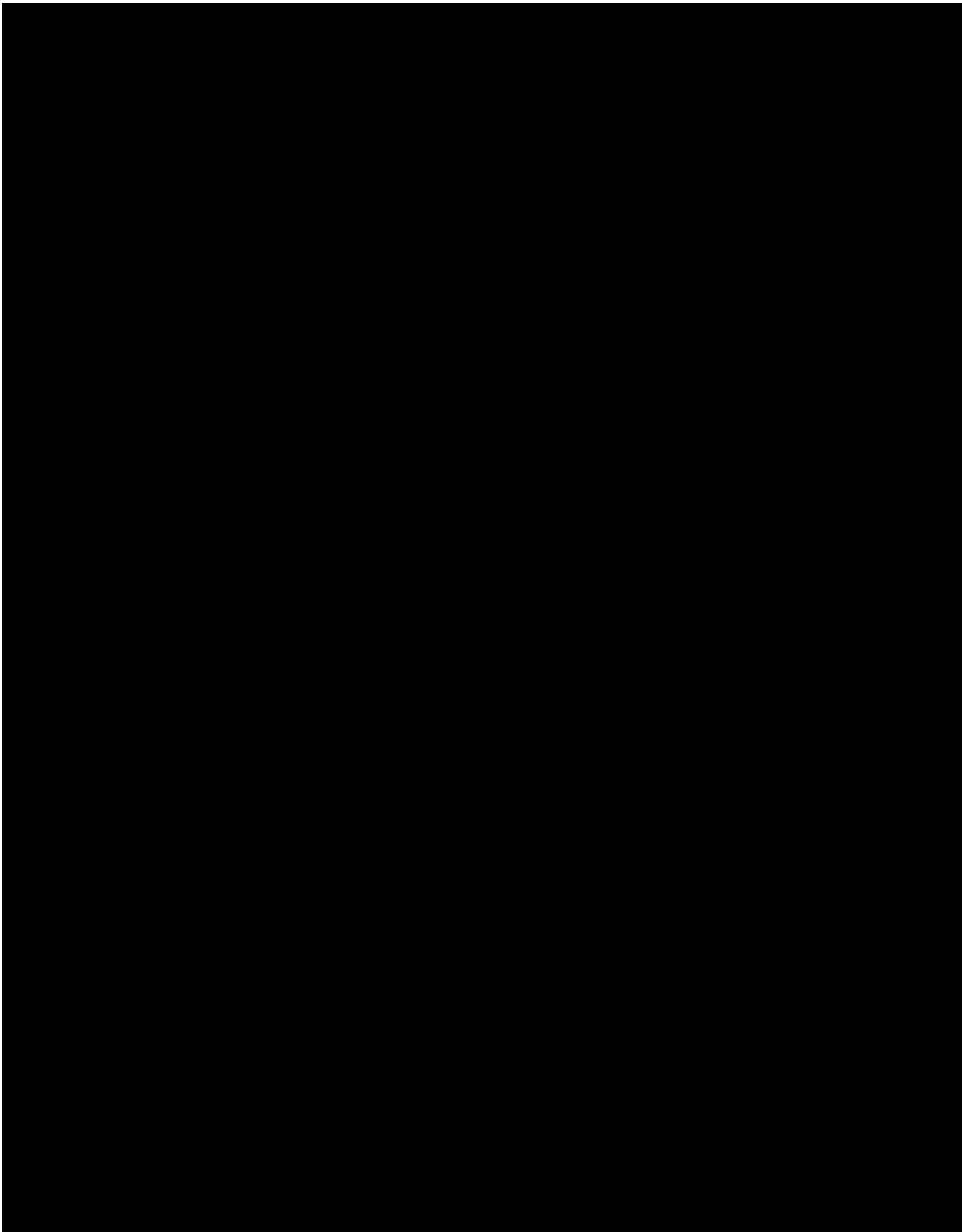


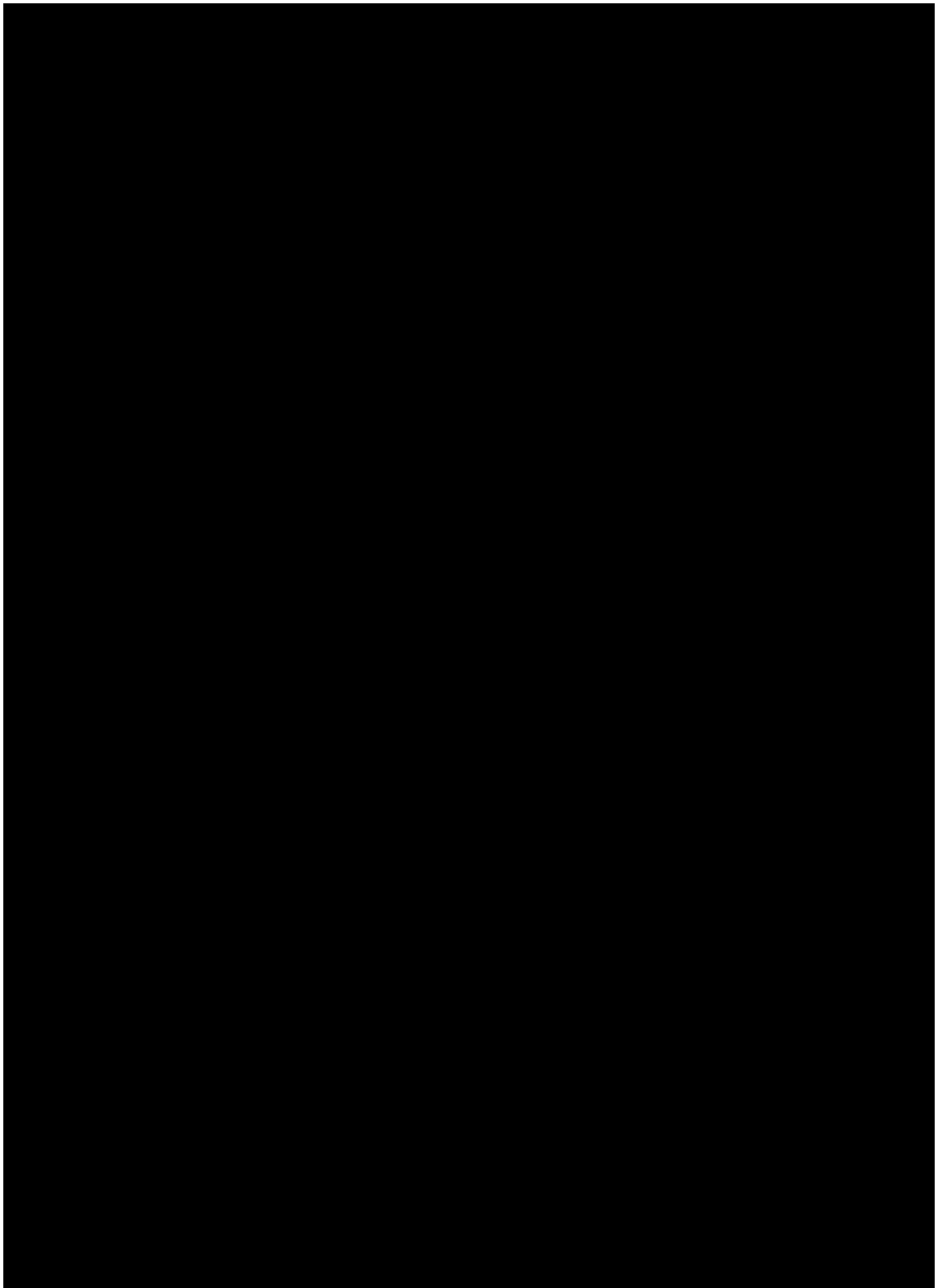


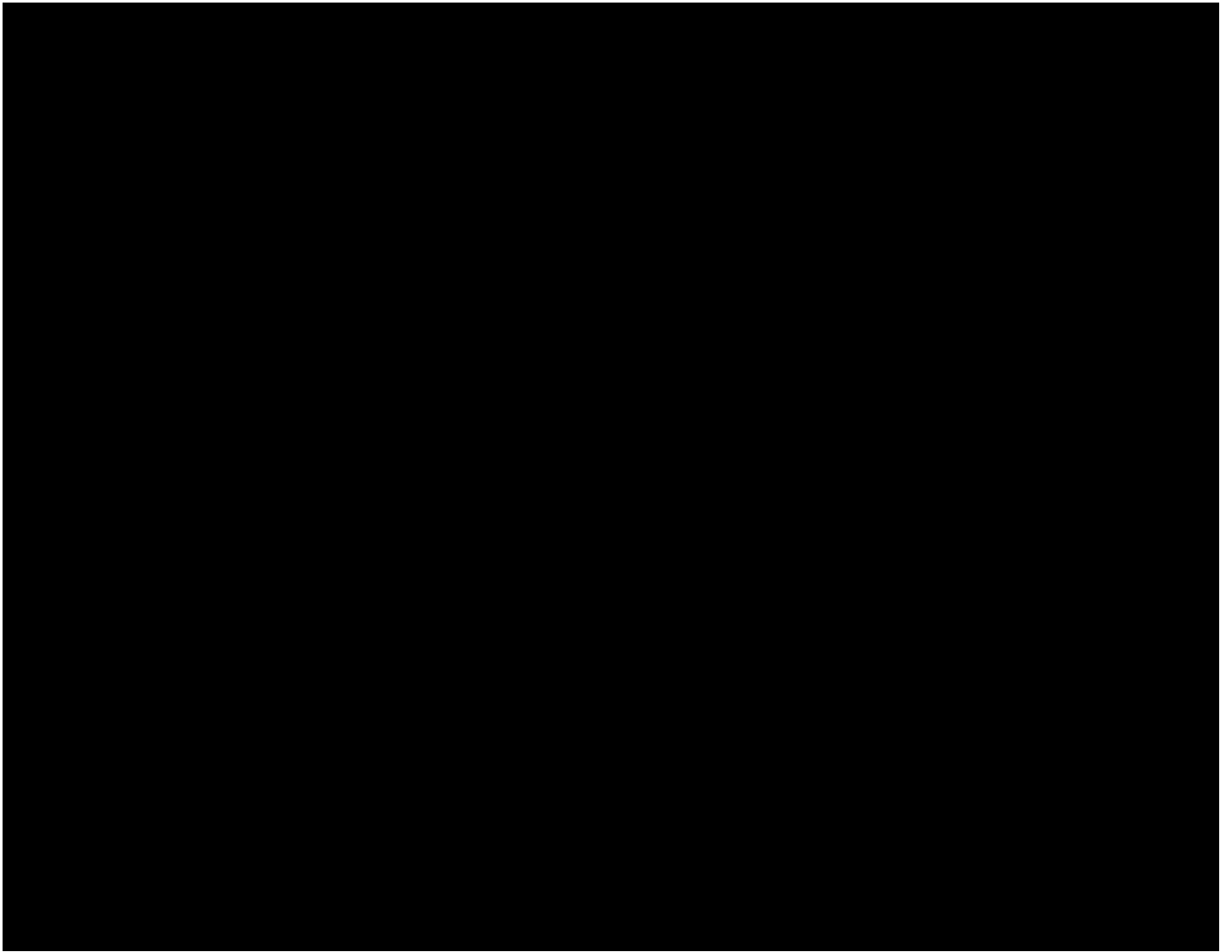


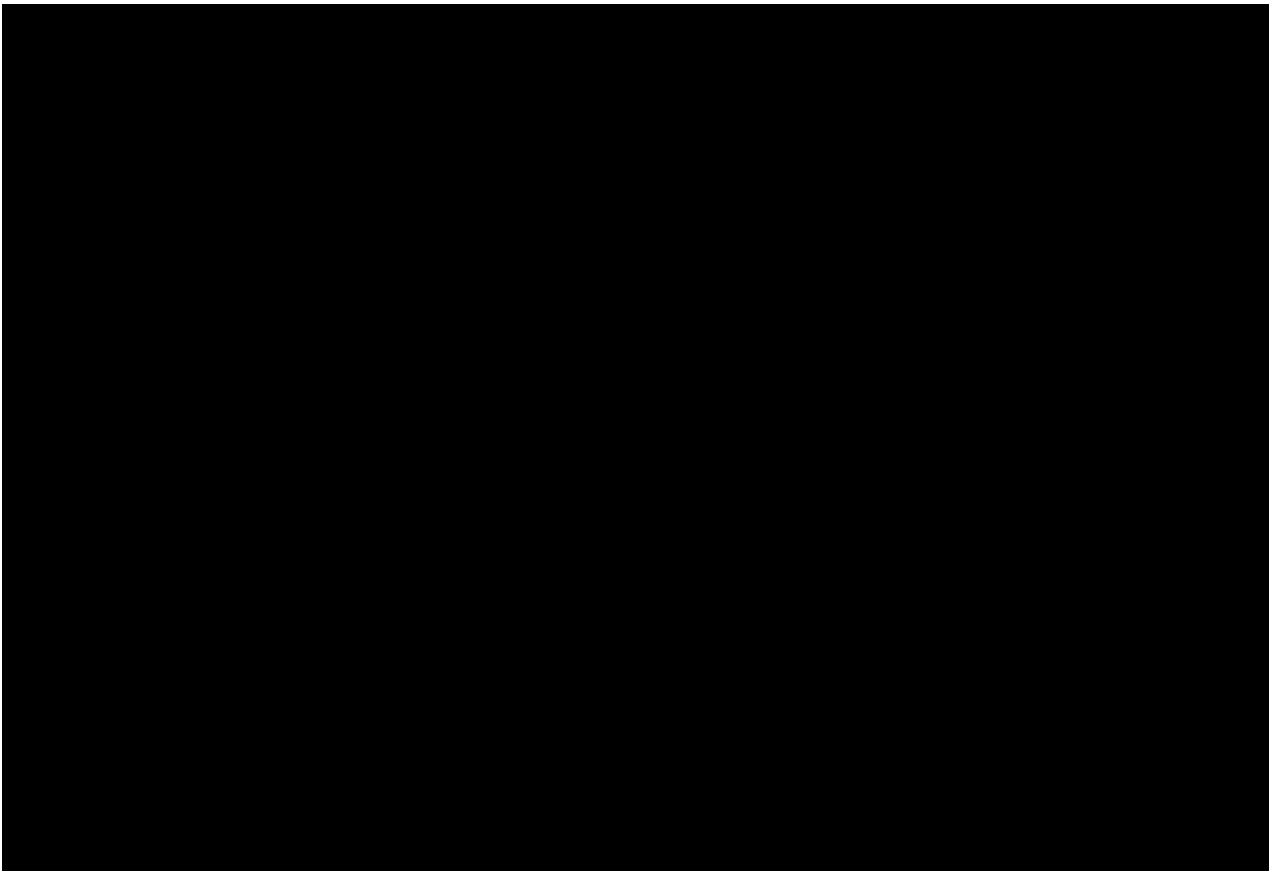


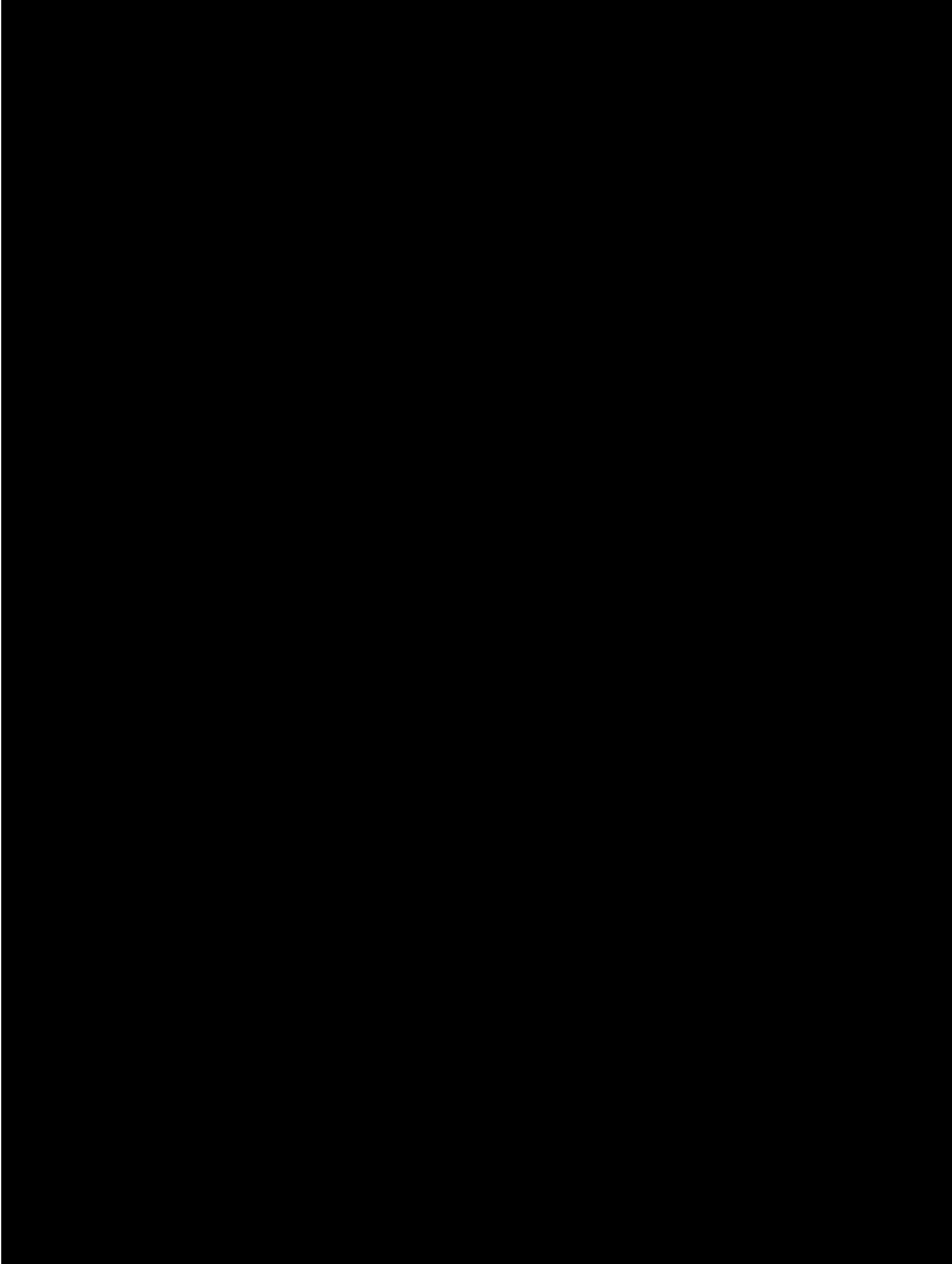


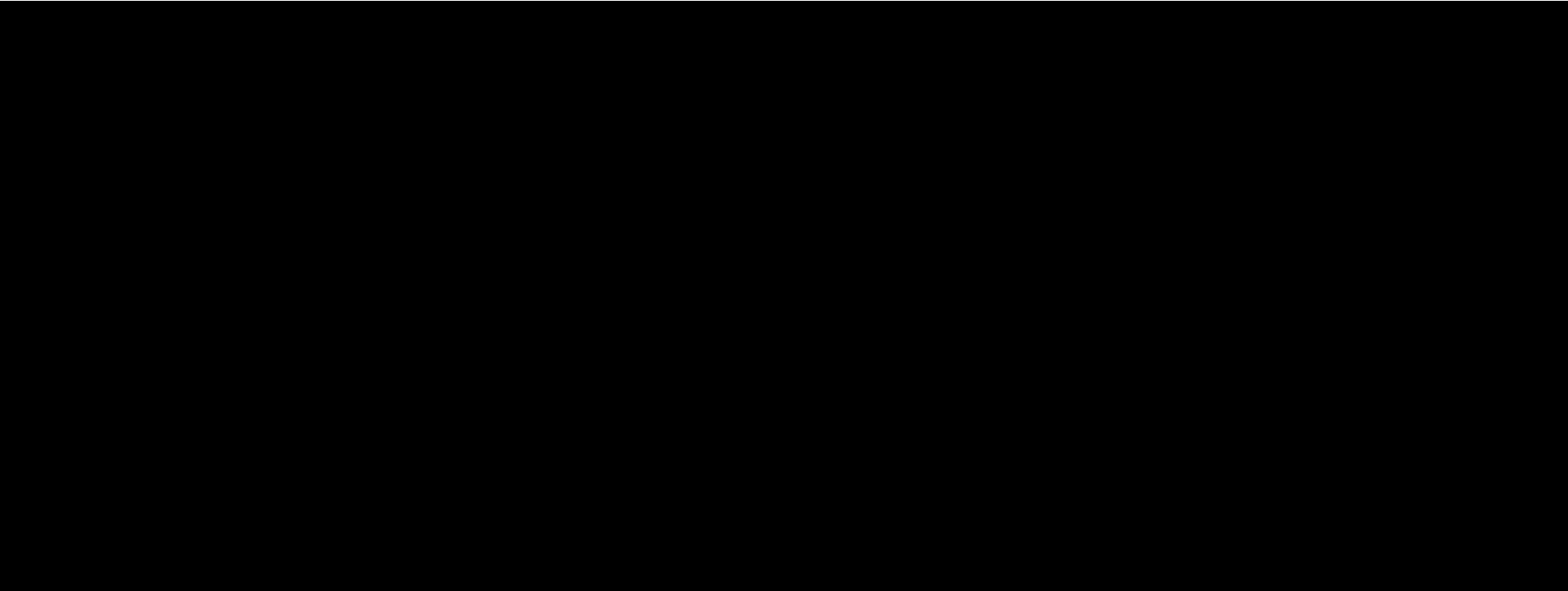


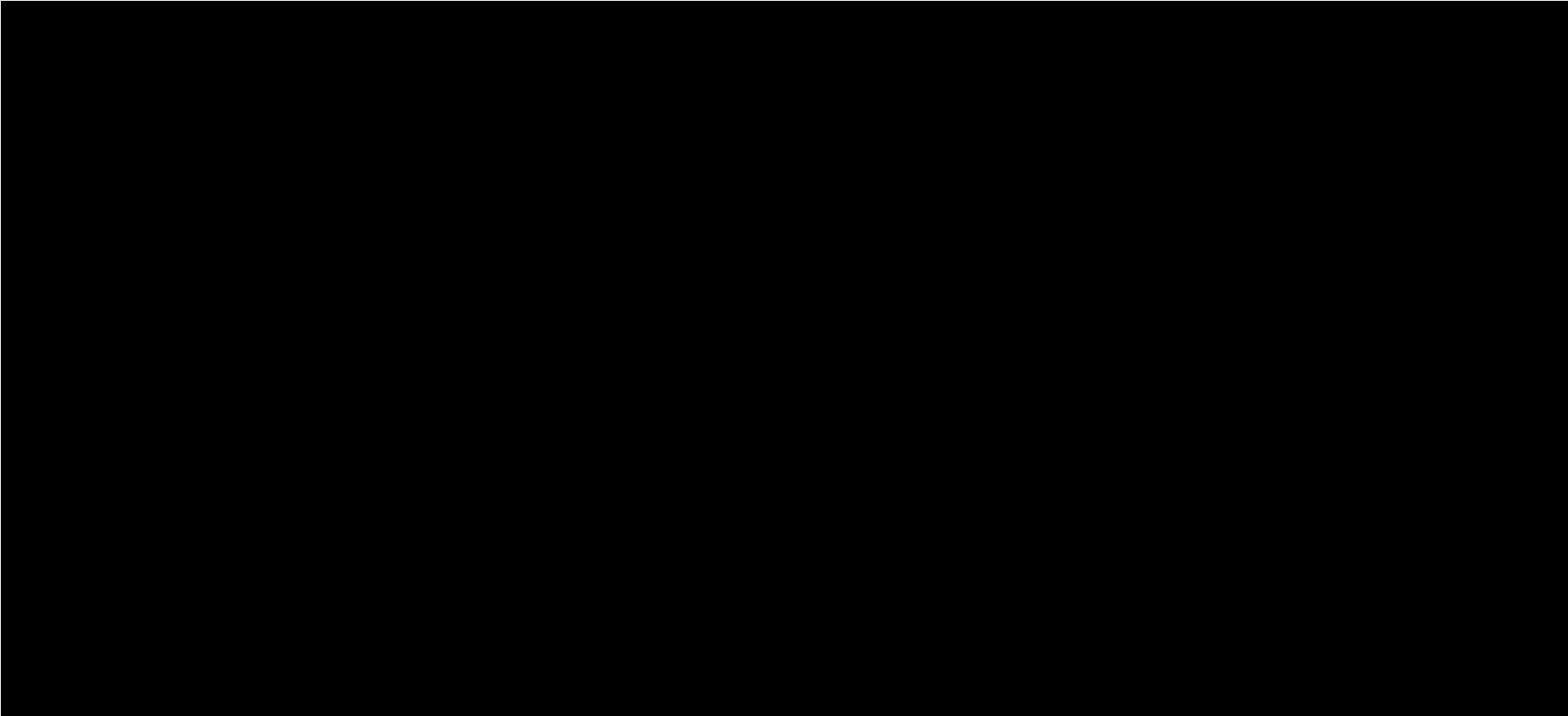


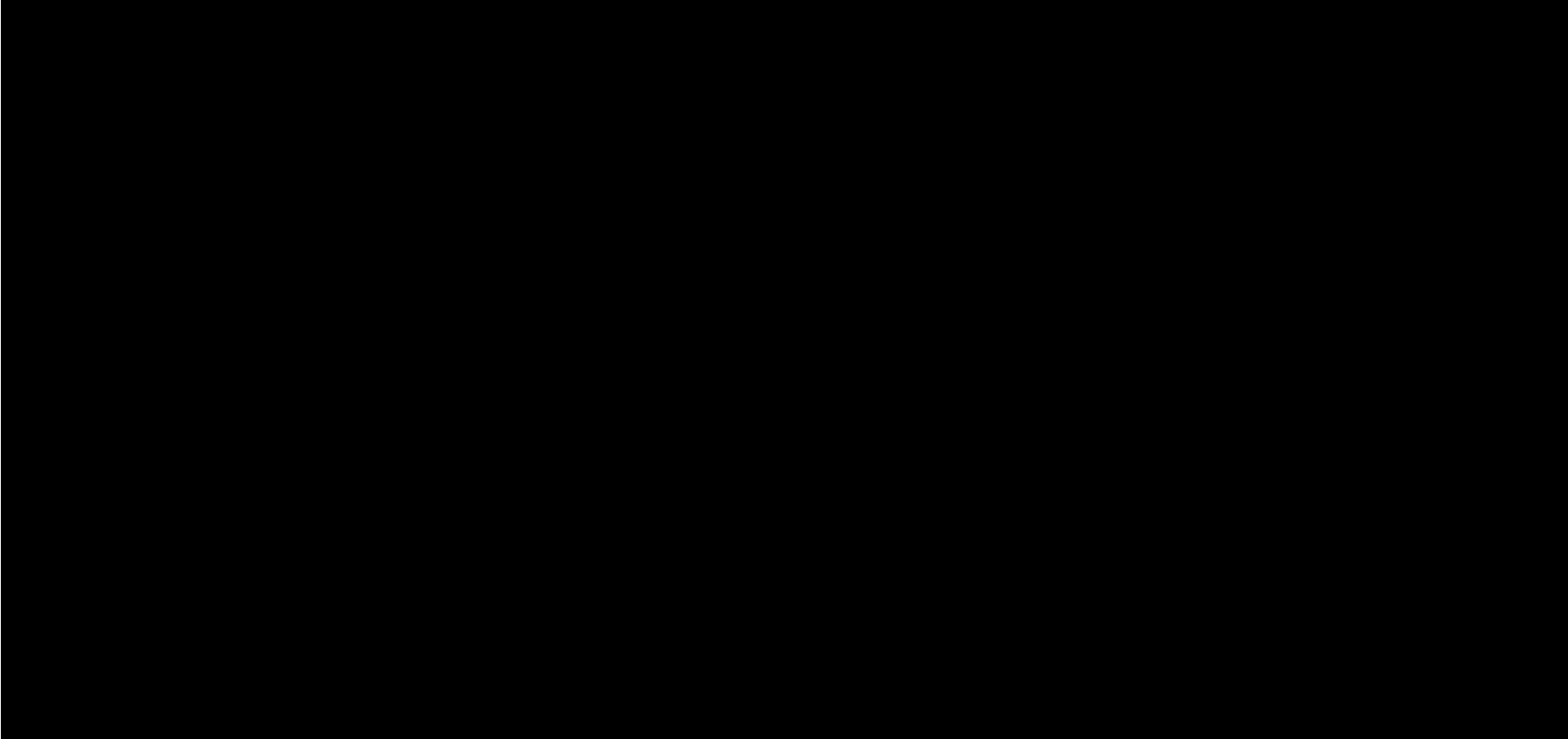


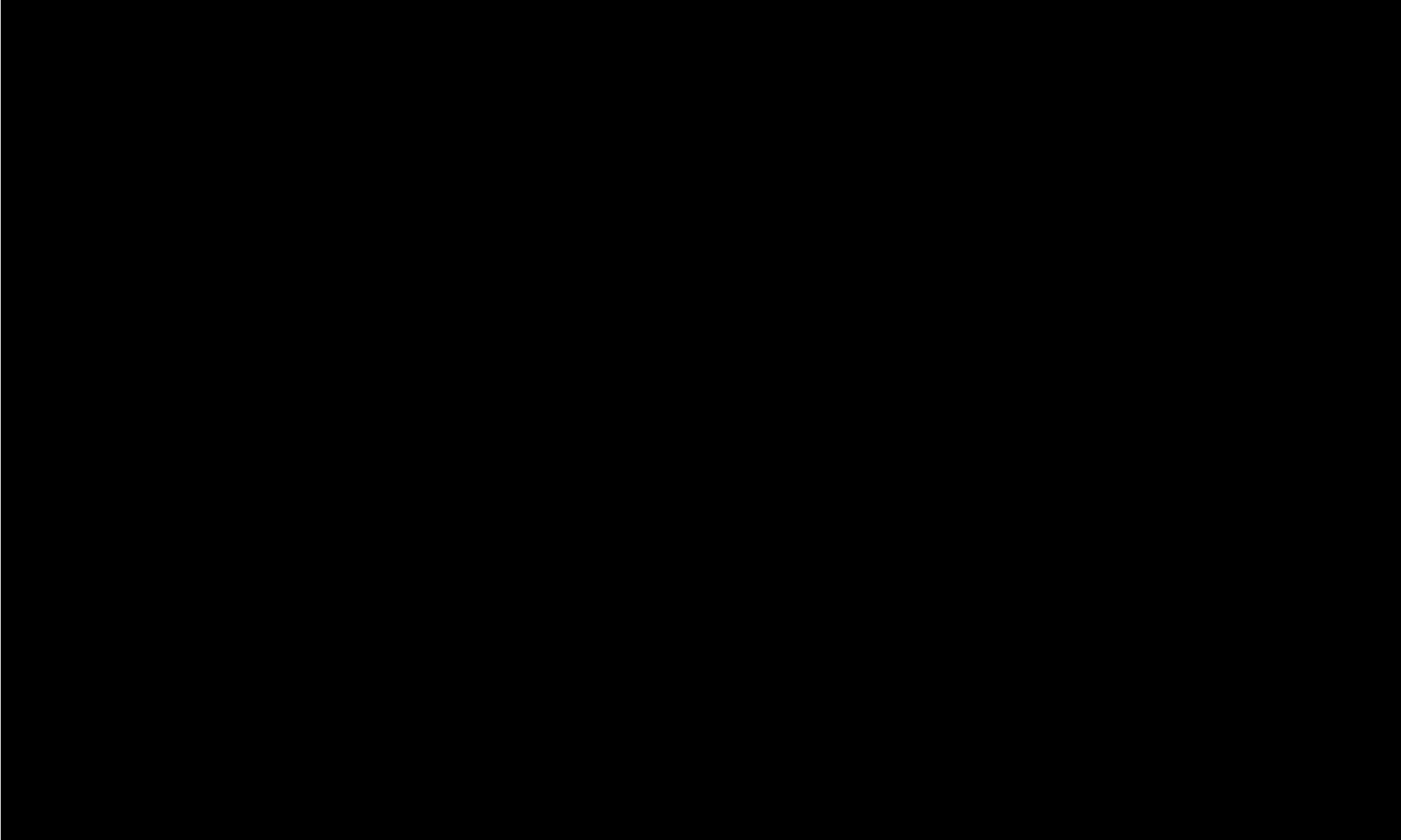


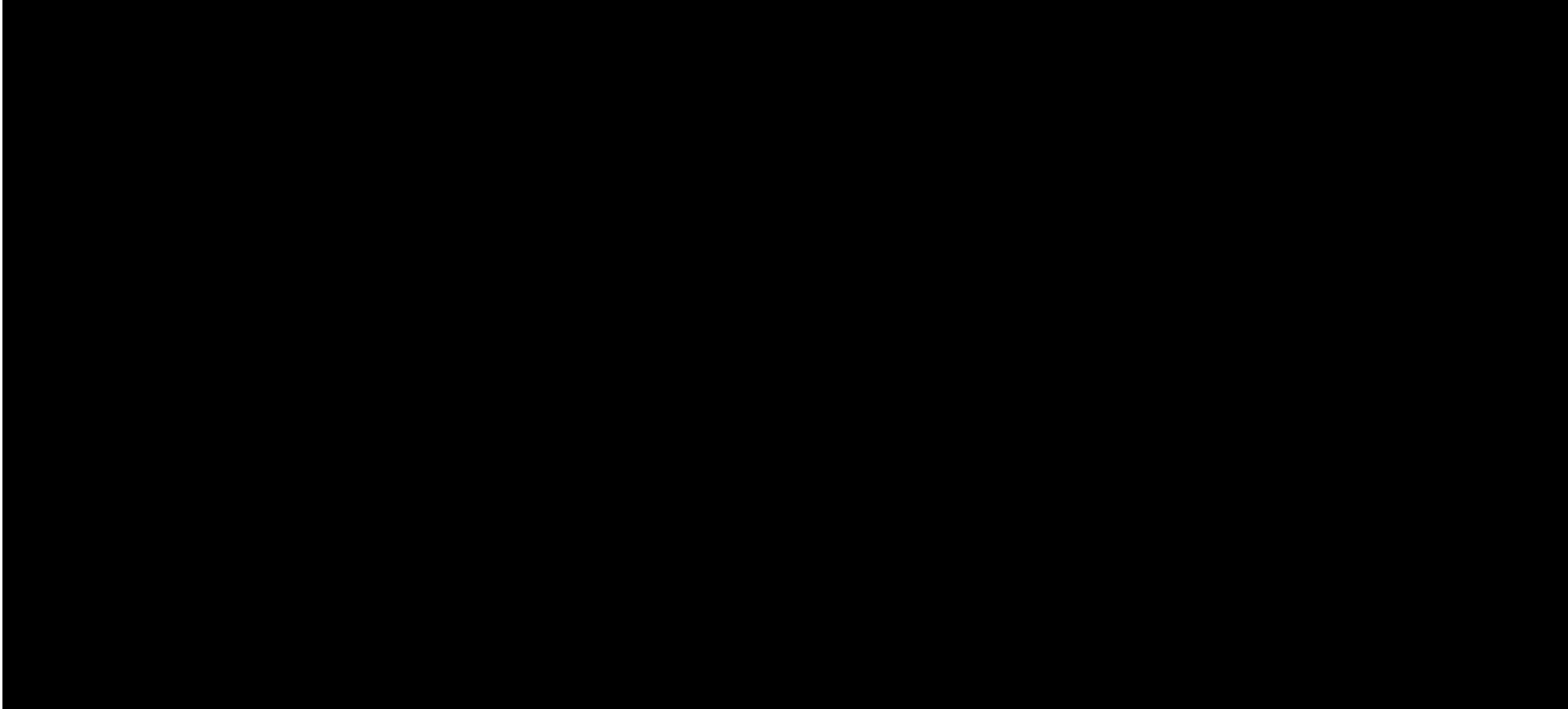












REPORT AUTHOR

Tara Killeen, Chief Financial Officer

RECOMMENDATION

That the Audit Committee receive and note the report titled Financial Report.

EXECUTIVE SUMMARY

The Chief Financial Officer will present a verbal report on the attached Financial documents.

ATTACHMENTS

1. Financial Report interim June 2021 [**6.2.1** - 6 pages]
2. Financial Report July 2021 for 31082021 Council Meeting [**6.2.2** - 6 pages]

5.8. FINANCIAL REPORT INTERIM JUNE 2021

REPORT AUTHOR Tara Killeen, Chief Financial Officer

MANAGER Mark Stoermer, Chief Executive Officer

DEPARTMENT Finance and Corporate Services

RECOMMENDATION

That Council notes the Interim Financial Report and the Estimated Financial Position for the 2020/21 financial year.

EXECUTIVE SUMMARY

The attached Interim Financial Report details the progress of the 2020/21 revised budget for the period ended 30 June 2021. Key points to note include the following:

- Operating revenue is ahead of budget by \$757K.
- Operating expenditure is under budget by \$2.1M.
- The Operating deficit is currently \$816k, compared to a budgeted deficit of \$3.66m
- The Forecasted Operating deficit for 20/21 is currently estimated to be \$3.2m

BACKGROUND

In accordance with section 204 of the *Local Government Regulation 2012* the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget. This report must be presented to Council on a monthly basis and cover the period up to a day as near as practicable to the end of the preceding month.

COMMENT

The 2020/21 annual budget was adopted on 30 June 2020 and revised on the 24 November 2020. The attached interim financial report details progress against revised budget for the period ended 30 June 2021.

In reviewing this financial report, the following should be noted:

- The figures presented are interim and are subject to any adjustments required as part of the end of financial year and audit processes. These adjustments will include:
 - Accrual of any revenue earned but not yet received such as investment interest & water revenue.
 - Review of all expenditure committals recorded via the purchase requisition process in Council's financial system and expensing of these committals where appropriate.

- Accrual of any June expenses yet to be invoiced (that are not part of the purchase requisition process), for example utility charges such as electricity and telephone.
- Accrual of final Salaries & Wages expense including leave provision adjustments.

Operating Revenue and Expenditure

Key points:

- Council has received 102% of its annual budgeted operating revenue
- Year to date operating expenditure is currently under budget.

Operating revenue is currently ahead of budget, with variations occurring primarily within the categories as follows:

- Rates and utility charges are currently ahead of budget \$40k, this is due to several factors including Aged Care facility coming online, and some revaluation adjustments. Council is waiting for the issue of Titles for 2 small subdivisions which may impact this result.
- Daintree Ferry revenue is now \$17k ahead of budget. This includes refunds of \$23k for Covid Relief measures. An exceptionally busy month for June, including the reissue of Ferry cards has contributed to this result.
- Fees and charges are currently \$192k ahead budget, there are a number of variances within this category:
 - Refuse Tipping fees continue strongly and are currently \$69k ahead of budget.
 - Licence Fees are currently \$12k ahead of budget
 - Property fees are currently \$190k ahead of budget. This includes Search Fees which are \$85k ahead. This reflects the reported increased movement in properties with over 600 property transfers in the past 6 months
 - Other fees and charges are currently \$79k behind budget. This is partially due to Mossman Pool \$41k behind and Facility hire \$96k behind, which includes Port Douglas Markets \$45k behind. It also includes refunds issued due to venue cancellations. Caravan Park bookings have been strong and are now \$63k ahead of budget. Cemetery fees are also \$19k ahead of budget.
- Grants and subsidies are \$350k ahead of budget and includes a \$105k increase in Financial Assistance Grant Funding, Sustainable Fishing \$13.5k, \$7.5k for Wangetti Revegetation. DRFA funding of \$296k has been transferred from Capital. A full analysis of grants is still to be undertaken to ensure compliance with accounting standards for carry forward amounts.
- Interest Income is currently \$15k ahead of budget. \$13.5k of this is due to holding more cash due to the delay in expenditure, both operational and capital.
- Other recurrent income is ahead of budget \$143k. State works are \$237k ahead of budget including an additional contract for Alchera drive. This has been offset by a drop in revenue for Carnivale sponsorship and concert tickets \$86k.

On the operating expenditure side, year to date expenditure variations to budget are as follows:

- Materials and services expenditure is currently under budget \$1.4m. This variance is primarily due to timing of receipt of invoices. Committals are currently \$1.9m, which include Annual purchase orders for major contracts such as Ferry, Waste removal, etc. A significant volume of invoices will be received in July which will relate to FY 2021 and will be accrued as part of the end of year process.
- Employee benefits are currently \$220k under budget. This can be impacted by various factors, such as staff vacancies, the amount and timing of leave taken and the allocation of costs to capital expenditure. This variance will be impacted by the end of financial year adjustments.
- Depreciation expense is currently \$325k under budget and is impacted by the timing of completion of projects. There are still many assets that are waiting to be capitalised. There is expected to be a small permanent saving.
- Finance Costs are currently \$115k under budget. This variance will be finalised as part of the end of year process for the landfill provision adjustment.

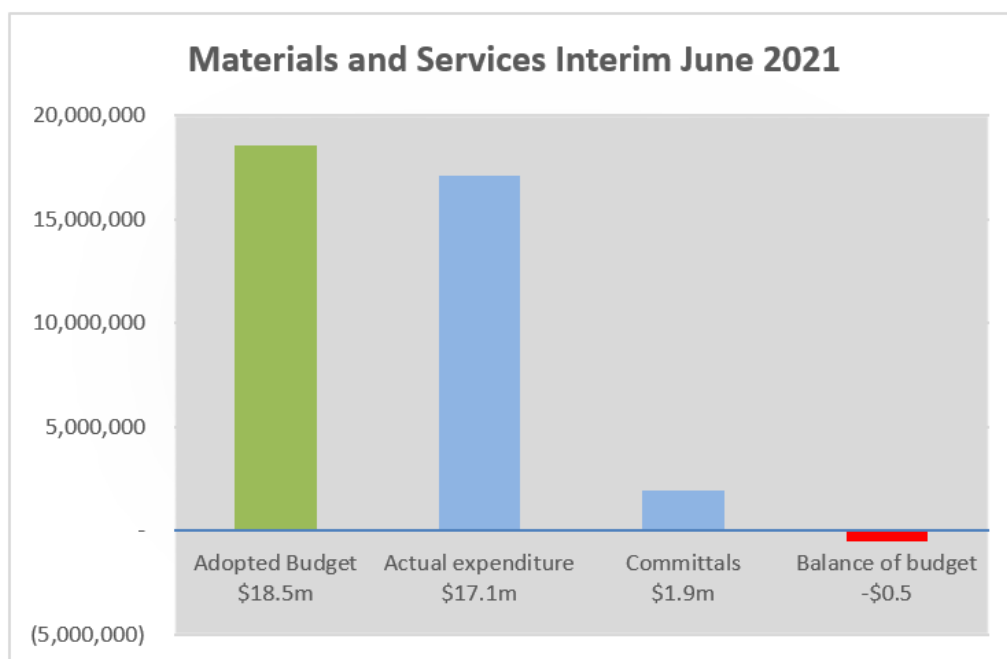


Figure 1. Materials & Services

Capital Revenue and Expenditure

Key point:

- Council has received 42% of its annual budgeted capital grants and subsidies and \$312k in developer contributions which are \$62k ahead of budget.

It should be noted that in addition to year-to-date capital expenditure of \$23.4m, a further \$12.8m had been committed for capital as at the end of June 21.

Outstanding capital projects and grant income attributed to these will be carried forward in the 2022 budget revision.

Operating Result

Key point:

- The interim operating result is \$2.8m ahead of budget with an operating deficit of \$816k compared to a budgeted deficit of \$3.663m.

As previously mentioned, this result is an interim result, which is still subject to the end of financial year and audit processes.

PROPOSAL

The Interim Financial Report for the period ended 30 June 2021 be received and noted by Council.

FINANCIAL/RESOURCE IMPLICATIONS

The forecast operating deficit is estimated to be a small improvement on budget.

RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting keeps Council informed of the progress in relation to the budget and allows for timely corrective action if required.

SUSTAINABILITY IMPLICATIONS

Economic: The Covid-19 pandemic will have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible. The aim of the long-term financial forecast is to meet all three of the 'measures of financial sustainability' within a nine year time frame.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

Goal 3 - We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

- Custodian** Council owns and manages infrastructure, facilities, reserves, resources and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment and good governance.
- Regulator** Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.

ATTACHMENTS

1. Interim Financial Report June 2021 [5.8.1 - 1 page]

Douglas Shire Council Statement of Comprehensive Income Interim Financial Report June 2021						Estimated Financial Position Financial Year June 2021	
	Actual YTD 21 \$	Budget YTD 21 \$	Variance \$	Budget 20/21 \$	Actual as % of Budget 20/21	Actual \$	Variance \$
Operating Revenue							
Rates and utility charges	36,160,869	36,123,565	37,304	36,123,565	100%	36,160,869	37,304
less: Discounts	(149,075)	(146,313)	(2,762)	(146,313)	102%	(149,075)	(2,762)
less: Remissions (incl. Pensioners)	(506,696)	(512,449)	5,753	(512,449)	99%	(506,696)	5,753
Net rates and utility charges	35,505,098	35,464,803	40,295	35,464,803	100%	35,505,098	40,295
Daintree River Ferry fees & charges	2,588,527	2,571,448	17,079	2,571,448	101%	2,588,527	17,079
Fees and charges (excluding Ferry)	2,888,969	2,697,371	191,598	2,697,371	107%	2,888,969	191,598
Grants and subsidies	2,677,866	2,327,568	350,298	2,327,568	115%	2,677,866	350,298
Interest received	361,693	347,185	14,508	347,185	104%	361,685	14,500
Other recurrent income	1,260,062	1,117,156	142,906	1,117,156	113%	1,411,156	294,000
Total Operating Revenue	45,282,215	44,525,531	756,684	44,525,531	102%	45,433,301	948,065
Operating Expenses							
Employee benefits	16,176,493	16,396,741	220,248	16,396,741	99%	16,296,741	100,000
Materials and services	17,123,867	18,554,154	1,430,287	18,554,154	92%	19,202,274	(648,120)
Depreciation	12,729,238	13,054,728	325,490	13,054,728	98%	12,984,728	70,000
Finance costs	68,817	183,556	114,739	183,556	37%	173,556	10,000
Total Recurrent Expenses	46,098,415	48,189,179	2,090,764	48,189,179	96%	48,657,299	(468,120)
Operating Result	(816,200)	(3,663,648)	2,847,448	(3,663,648)	22%	(3,223,998)	439,650
Capital Revenue							
Capital grants and subsidies	7,196,682	17,614,958	(10,418,276)	17,614,958	41%	17,614,958	-
Contributions from developers	311,856	250,000	61,856	250,000	125%	311,856	61,856
Total capital revenue	7,508,538	17,864,958	(10,356,420)	17,864,958	42%	17,926,814	61,856
Net Result	6,692,338	14,201,310	(7,508,972)	14,201,310	47%	14,702,816	501,506
Capital Works Program							
Capital additions	23,368,670	33,713,453	10,344,783	33,713,453	69%	33,713,453	-
Total capital additions	23,368,670	33,713,453	10,344,783	33,713,453	69%	33,713,453	-

5.10. FINANCIAL REPORT JULY 2021

REPORT AUTHOR	Tara Killeen, Chief Financial Officer
MANAGER	Juanita Warner, Acting Chief Executive Officer
DEPARTMENT	Finance and Corporate Services

RECOMMENDATION

That Council notes the Financial Report July 2021

EXECUTIVE SUMMARY

The attached Financial Report details the progress of the 2021/22 annual budget for the period ended 31 July 2021. Key points to note include the following:

- Operating revenue is ahead of budget by \$473K.
- Operating expenditure is under budget by \$63k.
- The Operating Surplus is currently \$11.8m, compared to a budgeted Surplus of \$11.3M

BACKGROUND

In accordance with section 204 of the *Local Government Regulation 2012* the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget. This report must be presented to Council on a monthly basis and cover the period up to a day as near as practicable to the end of the preceding month.

COMMENT

The 2021/22 annual budget was adopted on 15 June 2021. The attached financial report details progress against budget for the period ended 31 July 2021.

The following information is provided to assist with interpreting the report, including the provision of relevant graphs.

Operating Revenue and Expenditure

Key points:

- Council has received 33% of its annual budgeted operating revenue
- Year to date operating expenditure is currently under budget.

Operating revenue is currently ahead of budget, with variations occurring primarily within the categories as follows:

- Rates and utility charges are currently \$19k behind budget. Council is waiting on titles to issue for 2 sub-divisions which is also impacting revenue raised. This will be adjusted once received and supplementary rate notices issued.
- Daintree Ferry revenue is currently \$70k ahead of budget. A conservative approach was taken to budget due to the economic uncertainty. This variance will continue to be monitored closely and already appears to be declining significantly due to border closures now in place at time of report writing.
- Other fees and charges are currently \$210k ahead of budget, there are a number of variances within this category:
 - Refuse Tipping fees are currently online with budget.
 - Licence Fees are currently \$54k ahead of budget. This is due to the timing of issuing fees in late July, that were budgeted for issue in August.
 - Property fees are currently \$138k ahead of budget. This includes payment of development application fees. Search Fees also continue strongly and are \$16k ahead of budget.
 - Other fees and charges are currently \$18k ahead of budget. Van Parks are \$35k ahead of budget with both holding strong advance bookings. Some changes to agreements for Flagstaff hill see this area \$16k behind budget. Cemetery Fees are also \$5k behind budget.
- Grants and subsidies are \$212k ahead of budget. This is primarily due to the carry forward of uncompleted grants received in the 2020/21 Financial Year, Mental Wellbeing \$75k, Safe Cycle \$18k & North Queensland Resilience & Recovery Grant \$170k. There will be offsetting expenditure that has not been budgeted for these Grants, so the impact will not be permanent, and will be considered when the budget revision occurs.
- Interest Income is currently \$2k behind budget.
- Other recurrent income is ahead of budget \$2k.

On the operating expenditure side, year to date expenditure variations to budget are as follows:

- Materials and services expenditure is currently online with budget
- Employee benefits are currently \$64k under budget. This can be impacted by various factors, such as staff vacancies, the amount and timing of leave taken and the allocation of costs to capital expenditure.
- Depreciation expense is reported as online with budget, whilst the 2020/21 End of Year is finalised and all assets capitalised.
- Finance costs are currently online with budget.

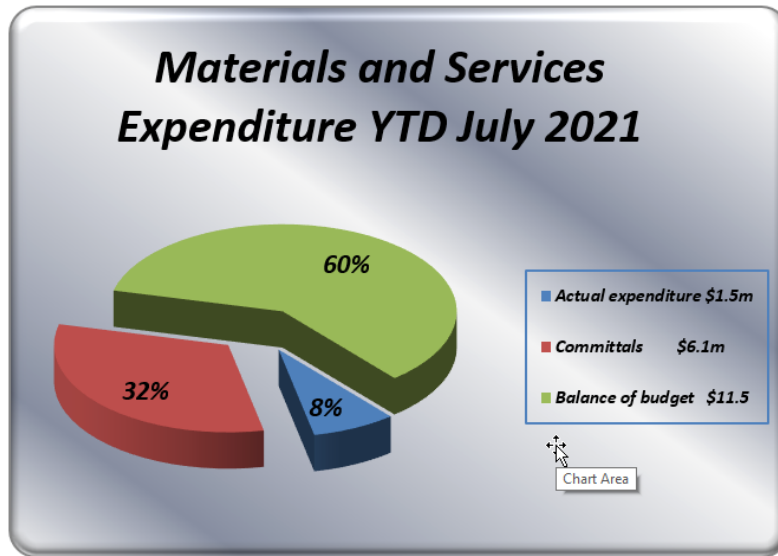


Figure 1. Materials & Services

Capital Revenue and Expenditure

Key point:

- Council has received 17% of its annual budgeted capital grants and subsidies and \$6k contribution from developers.

It should be noted that in addition to year-to-date capital expenditure of \$815k, a further \$11.8m was committed at the end of July 21. This committal amount does include carry forward commitments from unfinished 2020/21 projects.

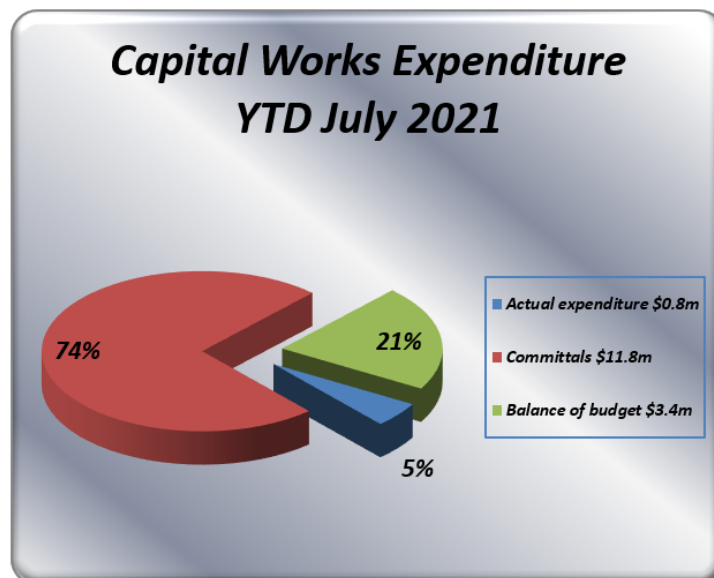


Figure 2. Capital Works

Operating Result

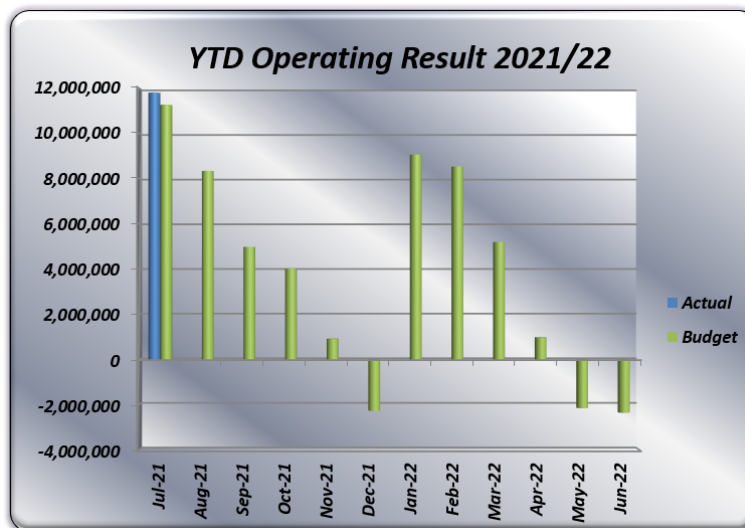


Figure 3.

Key point:

- The operating result is \$536k ahead of budget with an operating Surplus of \$11.8m compared to a budgeted Surplus of \$11.3m.

PROPOSAL

The Financial Report for the period ended 31 July 2021 be received and noted by Council.

FINANCIAL/RESOURCE IMPLICATIONS

It is noted that continued uncertainty with border closures may negatively impact the Tourism Sector.

RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting keeps Council informed of the progress in relation to the budget and allows for timely corrective action if required.

SUSTAINABILITY IMPLICATIONS

Economic: The Covid-19 pandemic will likely have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible. The aim of the long-term financial forecast is to meet all three of the 'measures of financial sustainability' within an eight-year time frame.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Ordinary Council Meeting - 31 August 2021

Audit Committee Meeting - 23 August 2021

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Custodian	Council owns and manages infrastructure, facilities, reserves, resources, and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment and good governance.
Regulator	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.

ATTACHMENTS

1. Financial Report July 2021 [5.10.1 - 1 page]

Attachment 5.10.1

6 of 6

Douglas Shire Council Statement of Comprehensive Income Financial Report July 2021	Actual YTD 22 \$	Budget YTD 22 \$	Variance \$	Budget 21/22 \$	Actual as % of Budget 21/22
Operating Revenue					
Rates and utility charges	14,677,856	14,699,368	(21,512)	37,784,630	39%
less: Remissions (incl. Pensioners)	(259,426)	(262,044)	2,618	(524,088)	50%
Net rates and utility charges	14,418,430	14,437,324	(18,894)	37,260,543	39%
Daintree River Ferry fees & charges	487,199	417,312	69,887	3,780,791	13%
Fees and charges (excluding Ferry)	598,787	388,988	209,799	2,824,724	21%
Grants and subsidies	241,924	30,000	211,924	2,380,383	10%
Interest received	6,148	7,897	(1,749)	355,040	2%
Other recurrent income	24,528	22,437	2,091	997,274	2%
Total Operating Revenue	15,777,016	15,303,958	473,058	47,598,755	33%
Operating Expenses					
Employee benefits	1,310,586	1,374,885	64,299	16,833,359	8%
Materials and services	1,492,219	1,491,490	(729)	19,049,586	8%
Depreciation	1,179,520	1,179,520	-	13,896,369	8%
Finance costs	847	417	(430)	175,705	0%
Total Recurrent Expenses	3,983,172	4,046,312	63,140	49,955,019	8%
Operating Result	11,793,843	11,257,646	536,197	(2,356,264)	(501%)
Capital Revenue					
Capital grants and subsidies	759,011	4,597,318	(3,838,307)	4,597,318	17%
Contributions from developers	6,134	250,000	(243,866)	250,000	2%
Total capital revenue	765,145	4,847,318	(4,082,173)	4,847,318	16%
Net Result	12,558,988	16,104,964	(3,545,976)	2,491,054	504%
Capital Works Program					
Capital additions	815,506	16,046,559	15,231,053	16,046,559	5%
Total capital additions	815,506	16,046,559	15,231,053	16,046,559	5%

Ordinary Council Meeting - 31 August 2021

Audit Committee Meeting - 23 August 2021

REPORT AUTHOR

Scott Hahne, Manager Project Office

RECOMMENDATION

That the Audit Committee receive and note the report titled Capital Works Progress Report.

EXECUTIVE SUMMARY

The Manager Project Office will present a verbal report on the attached Capital Works Progress Report for Quarter 4 2021.

ATTACHMENTS

1. Capital Works Progress Report for Q 4 2021 [6.3.1 - 13 pages]

5.11. CAPITAL WORKS PROGRESS REPORT FOR Q4 2021

REPORT AUTHOR	Scott Hahne, Manager Project Office
MANAGER	Mark Stoermer, Chief Executive Officer
DEPARTMENT	Project Office

RECOMMENDATION

That Council receives and notes the progress of the Capital Works Program to 30 June 2021 for the 2020/21 financial year.

EXECUTIVE SUMMARY

The current capital works delivery program consists of 157 projects valued at \$37.140M. One hundred and seven projects have been completed in total and \$29.473M expended or committed to the market.

Forty-seven projects were completed during the reporting period (including rolling projects) and one project was added to the delivery program. This equates to a completion rate of 68% when considering a physical completion metric for the reporting year. Of the fifty projects uncompleted for the financial year FY21, overall progress for these projects was 64% progressed on average. The weighted physical completion rate was therefore 89% for all projects. A good result considering the delays and market impacts of COVID-19.

Progress was behind target with a 79% financial work in progress metric (WIP) being achieved, against the target of 100% primarily due to a significant portion of the works spread across multiple financial years. When considering only projects expected to be completed within this financial year, progress was 94%, however the 3rd quarter budget was \$22.463M, but the 4th quarter budget was revised to \$31.158M. Project managers in effect were able to “bring forward” their expenditure and consequential budgets from what had been anticipated to occur at the end of quarter three.

BACKGROUND

To better manage our ongoing Capital Projects, a Capital Tracking Project Control Group (PCG) has been established to oversee the delivery and reporting of all capital works projects across all departments within Council.

The PCG meets regularly to review project progress which is documented by staff in a constantly updated tracking report.

A condensed version of this report is included as update to Councillors and the public and it shows financial and risk and timeline performance.

A traffic light approach is applied to these indicators to show project performance, namely:

Performance Indicators ● Satisfactory ● Marginal ● Unsatisfactory

COMMENT

Refer to Attachment 1 which summarises the performance of the capital works delivery program in the fourth quarter of 2020/21.

For the period the target financial performance is to achieve 100% WIP (Actual and Committed) expenditure. The achieved WIP for all projects was 79%. However, performance is somewhat skewed by the following:

Forty-three projects worth \$11.271M were carried forward from the previous financial year. Thirty-eight of these projects are completed and \$8.19M expended or committed or 72% Work in Progress (WIP). Five projects have not been completed by 30 June 2021 due to delays beyond the control of Council or unfinished work. These projects have a combined unallocated budget of \$3.12M, which means that excluding them from the metrics results in a WIP of 84% for carried forward projects.

Eighty-one projects worth \$21.983M were approved in the current 2020/21 financial year budget, of which fifty one have been completed and a WIP of 91% achieved. Thirty projects have not been completed by 30 June 2021 due to delays and being grant funded over several financial years. These projects have a combined unallocated budget of \$1.868M, which means that excluding them from the metrics results in a WIP of 101% for carried forward projects.

Twenty-eight additional projects worth \$3.263M were assigned in the budget review in November 2020. Current WIP is 49%, however thirteen projects will not be completed this financial year. These projects have a combined unallocated budget of \$1.677M, which means that excluding them from the metrics results in a WIP of 102% for carried forward projects.

Since budget review an additional five projects valued at \$1.096M have been added to the delivery program with three of them already being completed.

In summary there were 157 projects valued at \$37.140M contained within the 2020/21 delivery program. One hundred and seven projects have been completed and \$29.473M expended or committed to the market. Overall financial progress is 81% for the total program and 95% for the current financial year program valued at \$31.158M

During the reporting period, forty-seven projects were completed, namely:

1. Douglas indigenous signage program
2. Road and Footpath Lighting Master Plan
3. Actions from Coastal Hazard Adaption Strategy
4. Craiglie Reservoir Roof replacement
5. Whyanbeel WTP New residual treatment plant
6. Craiglie reservoir chlorine dosing upgrade
7. Killaloe transfer station water main upgrade
8. Cooya beach reservoir pipeline design
9. Daintree intake handrails
10. Placemaking public art installations program
11. Port Douglas carpark complex- business case
12. Mossman computer room equipment refresh stage2
13. Mossman computer room upgrades
14. Whyanbeel network replacement

15. Video streaming room setup
16. MM wireless network refresh
17. Mossman depot roof replacement stage 3
18. Macrossan St roadworks
19. Gravel road renewal program
20. Kerb and channel program
21. Footpath and lighting program
22. Cooya intersection
23. Warners bridge renewal
24. Drainage renewal program
25. Parks renewal program
26. Macrossan St landscape improvements
27. Grant St Port Douglas
28. Killaloe tWell parts replacements
29. Renew security fencing at Killaloe and newell transfer stations
30. Cow Bay transfer station phone line
31. Interim capping Killaloe
32. Environmental infrastructure Newell landfill
33. Manhole condition assessment – refurbishment program
34. MWWTP Class A recycled water upgrade
35. Sluice valves renewals program
36. Pump renewals program
37. Flow meters to pump stations
38. PDWWTP – UV disinfection upgrade
39. Mobile generator replacement
40. De Meio bore pump
41. Boomgate & information centre Mossman Van Park
42. Mossman Pool & caravan redevelopment detailed design
43. Mossman pool expansion joint reseal
44. Asset management system feasibility
45. Replacement standby generator Daintree ferry house
46. Concrete floodways Forest Ck road
47. Disaster Coordination centre feasibility & design

A detailed summary of each project is contained within Attachment 2.

PROPOSAL

That Council receives and notes the progress of the Capital Works Program to 30 June 2021 for the 2020/21 financial year.

FINANCIAL/RESOURCE IMPLICATIONS

Delivery of a capital works program within budget is essential to ensure that Council is financially sustainable, and that Council's assets are maintained and developed to meet the needs of communities within Douglas. All areas of Council's Operations Department are now developing ten-year capital works programs which provide a clear strategy for delivery of capital works projects and allow for the necessary planning and financing to occur.

RISK MANAGEMENT IMPLICATIONS

Council must plan and deliver a suitable capital works program to ensure that its assets are able to service the needs of the communities within Douglas Shire. Council has a statutory obligation as a service provider to ensure it is able to provide water and wastewater services to customers.

Council's reputation and the community's amenity would suffer if it is unable to maintain assets and service levels at necessary standards. The consequence of inadequate maintenance and upgrade of capital assets will be increased costs in the future.

SUSTAINABILITY IMPLICATIONS

Economic:	Financial sustainability of the Council would be at risk if capital works programs are not kept within budget or are not undertaken.
Environmental:	Failing to maintain assets can lead to environmental impacts through the release of materials to the environment outside of licence conditions. Poorly maintained assets can also have impacts on energy and resource use.
Social:	Communities expect assets such as roads, bridges and water/wastewater systems to safe and maintained to necessary standards.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 2 - Fostering Sustainable Economic Growth

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.

Goal 1 - *We will build appropriate infrastructure and deliver services that connect and support businesses.*

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.

CONSULTATION

Internal: Consultation has been undertaken with the Managers and Coordinators within the Operations Department and with the Management Team.

External: Nil.

ATTACHMENTS

1. Attachment 1 (1) [5.11.1 - 1 page]
2. Attachment 2 [5.11.2 - 7 pages]

SUMMARY														
Project Year	Number of Projects	Completed Projects	Project Completion Rate	Current 20/21 Budget	Committals	Committals / Budget	20/21 Actuals	Actuals / Budget	20/21 WIP (Actuals + Committals)	WIP / Budget	Remaining Budget Available	Anticipated 20/21 budget removing FY2021/22 portion of budget	Revised WIP / Budget	Number of projects not scheduled to be completed in current FY
PRIOR BUDGET YEAR(S)	43	38	88%	\$ 11,271,522	\$ 2,638,234	23%	\$ 5,509,937	49%	\$ 8,148,171	72%	\$ 3,123,351	\$ 9,711,147	84%	5
CURRENT BUDGET YEAR	81	51	63%	\$ 21,508,610	\$ 9,391,286	44%	\$ 10,249,088	48%	\$ 19,640,374	91%	\$ 1,868,237	\$ 19,487,620	101%	30
BUDGET REVIEW PROJECTS	28	15	54%	\$ 3,263,790	\$ 429,229	13%	\$ 1,211,404	37%	\$ 1,586,616	49%	\$ 1,677,174	\$ 1,557,643	102%	13
PROJECTS NOT ADOPTED IN BUDGET(S)	5	3	60%	\$ 1,096,181	\$ -	0%	\$ 97,900	9%	\$ 97,900	9%	\$ 998,281	\$ 247,751	40%	2
TOTAL	157	107	68%	\$ 37,140,103	\$ 12,458,749	34%	\$ 17,014,312	46%	\$ 29,473,060	79%	\$ 7,667,043	\$ 31,158,072	95%	50
CURRENT ADOPTED BUDGET	152	104	68%	\$ 36,043,922	\$ 12,458,749	35%	\$ 16,916,412	47%	\$ 29,375,160	81%	\$ 6,668,762	\$ 30,910,321	95%	48

2019/2020 Carry Over Projects									
	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Program Status	Project Risk Status	Project Budget Status
Community Development									
1	Mossman and Port Douglas Flagpoles	4,372	4,180	-	4,180	100%	Project ceased due to approval of locations. Possible future project.	Medium Risk (Gas main located in desired location).	Project will cease and be rescoped for future project.
2	Douglas Indigenous Signage Program	49,905	46,376	-	46,376	100%	Completed stage one.	Low risk	Under budget
Property Services									
3	Mossman Showgrounds - Disability access to toilets	6,744	11,103	-	11,103	80%	Project ceased due to approval of locations. Possible future project.	Med risk - building material supply delays.	Wages only being capitalised to Project Manage. RFT in progress for builder.
ICT Services									
4	ICT - Planning Zone Report Tool	1,640	(3,240)	(3,240)	-	100%	Project complete	Complete	Requested additional budget in review
Building Facilities									
5	Mossman Shire Hall - renewal of various items	103,023	25,734	-	25,734	100%	Plans and cost estimate complete. Documentation ready for future Grant application opportunities.	Complete	Under budget
6	Mossman Shire Hall - Airconditioning design	29,059	32,609	-	32,609	100%	Plans and cost estimate complete. Documentation ready for future grant application opportunities.	Complete	Over budget
Civil Works									
7	Lot 96 Fishermens	45,400	27,004	-	27,004	100%	Project complete	Complete	Under budget
8	Reef Park Ultimate Design	25,711	28,874	-	28,874	100%	Project complete	Complete	Under budget
9	Alexandra Range	1,534	1,555	-	1,555	100%	Project complete	Complete	On budget
10	Whyanbeel Causeway Upgrade (Grant Funded W4Q)	362,570	341,165	-	341,165	100%	Project complete	Complete	Under budget
11	Road and Footpath Lighting Master Plan	21,860	23,711	-	23,711	100%	Project complete	Complete	Slightly over budget
12	Bonnie Doon Road	(4,865)	(5,169)	-	(5,169)	100%	Project complete	Complete	Over budget
13	Daintree Ferry Landside Infrastructure	75,000	65,399	-	65,399	81%	Project Scope	Approvals	Expected to be under spent approx \$8k
Public Spaces									
14	Port Douglas CBD Blueprint Planning Project	49,216	51,460	-	51,460	100%	Contract terminated. Savings to be allocated to Diggers Park Project.	Project cancelled	Budget transferred to Diggers Park project
15	Macrossan Street Improvements	67,585	67,585	-	67,585	100%	Project complete	Complete	On budget
16	Parks Renewal Program 19/20	55,048	(14,781)	-	(14,781)	100%	Project complete	Complete	Under budget
Environment Planning									
17	Port Douglas Wastewater Treatment Plant Solar Project Stage 2	9,711	-	-	-	70%	Proposal plan completed and property submitted paperwork for 50 yr lease of land to DNRM. Information sent to DNR to rule out Native Title. No further action until land acquisition/lease sorted.	Land currently owned by DNRM	Expected to be on budget
18	Undertake actions outlined in the Coastal Hazard Adaptation Strategy	41,383	17,386	22,928	40,314	100%	Coastal photo monitoring points installed at 5 locations. CoastSnap application has been	Low risk	Expected to be on budget
Resource Management									
19	Resource Recovery Shed at Killaloe Transfer Station (W4Q Grant Funded)	1,406,878	1,101,410	277,974	1,379,384	85%	Construction of the shed and concrete walls have been completed. Topping System has been installed. PC to builder end of June. Earthworks, firemain and hydraulics to be completed. Project anticipated to be completed by 30th August.	Budget	Expected to be over budget due t
Disaster Management									
20	Installation of two automatic rain gauges (Upper Daintree and Bloomfield). (Grant funded 50%)	(0)	(11,702)	-	(11,702)	100%	Site unsuitable for install. Resubmission for new project site and a new Work Order has been created.	Site constraints; new site prioritised.	Budget reallocated to rain gauge/signs Alex Range.
21	Purchase of flood mapping over Shire	20,000	20,000	-	20,000	100%	Project complete	Complete	On budget
22	Automated Flooded Road Warning Signage at Barratt Creek Daintree (Grant funded 50%)	32,275	33,653	-	33,653	100%	Project complete	Complete	Slightly over budget
Wastewater									
24	Port Douglas Wastewater Treatment Plant Outfall Flow Meter	79,297	2,676	-	2,676	100%	Project complete	Complete	Under budget
25	Wastewater Treatment Plant Radio Transmitter Unit and SCADA Upgrades - Assessment Stage	6,442	6,752	-	6,752	100%	Project complete	Complete	Slightly over budget
26	Mossman Wastewater Treatment Plant Lime Dosing Equipment Assessment of Chemical Dosing	10,242	26,103	-	26,103	100%	Project complete	Complete	Over budget
Water Quality									
27	Craiglie Reservoir Roof Replacement (part grant funded)	756,132	773,602	1,055	774,657	100%	Project works completed. New Acuator Valves installed. Cleaning tank floor then Water Quality Team to complete testing.	Medium Risk - Cleaning and commissioning of tank	Over Budget by approx \$15,000 due to ongoing problems and having to chlorinate tank twice. Electrical invoice and cleaning still to come.

	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Program Status	Project Risk Status	Project Budget Status
28	Water Treatment Plants Radio Transmitter Unit and SCADA Upgrades - Assessment Stage	19,626	7,946	-	7,946	100%	Project complete	Complete	Under budget
29	Mossman Treated Water Reservoir Relining Assessment	23,668	24,270	-	24,270	100%	Project complete	Complete	Slightly over budget
30	Whyanbeel Water Treatment Plant New Residual Treatment Plant - Design Stage	92,729	131,601	9,860	141,461	100%	Construction fast tracked and in progress. Pavement Improvements/Bitumen Coat	Medium risk	Design complete within budget. Cost savings from another project have been utilised to
31	Craiglie Reservoir Upgrades (chlorine dosing)	144,412	149,263	3,064	152,326	100%	Project works complete. waiting for Reservoir to be filled to run chlorine system. Completing some additional Operational	High Risk - Project did not progress enough to meet project timelines. Timing to be reviewed by PMO	Over budget
Water Reticulation									
32	Killaloe Transfer Station Water Main Renewal	467,460	472,964	-	472,964	100%	Project Completed. Capitalisation form submitted to finance on 20/5/2021	Complete	Over budget
33	Cooya Beach Reservoir Pipeline - Design Stage (feasibility)	31,692	53,436	-	53,436	100%	Project complete	Complete	Over budget
34	Newell Beach Water Main Replacement	2,872	933	-	933	100%	Project complete	Complete	Under budget
Disaster Recovery									
35	Syndicate Rd Landslip REPA	182,587	218,114	-	218,114	100%	Complete	Complete	expected to be under budget
36	Ponzo Rd Landslip REPA	714,619	11,198	-	11,198	100%	complete	nil	under budget
37	Murphy St Landslip REPA	653,770	503,916	-	503,916	100%	complete	nil	under budget
38	Northern Road Repairs REPA	1,027,417	772,119	-	772,119	100%	complete	nil	under budget
39	Southern Road Repairs REPA	138,886	(127,129)	-	(127,129)	100%	complete	nil	under budget
40	Upper Daintree Rd Landslip REPA	598,131	330,176	-	330,176	100%	complete	unexpected ground conditions	under budget
41	Donovan's Range Upgrade Cat D	3,843,181	206,043	2,323,353	2,529,397	45%	Contractor mobilised to site	unexpected ground conditions	Under budget
42	Daintree Intake Handrails	13,251	27,861	-	27,861	100%	Handrails Installed. Contractor working on scope changes	technical feasibility	Over budget, though funds transfer available from other project

Original Budget June 2020 - 2020/2021 Delivery										
	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Program Status	Project Risk Status	Project Budget Status	
	Community Development									
1	Sports Master Plan Implementation for Port Douglas and Mossman	200,000	22,634	-	22,634	50%	Masterplan finalised and adopted by Council in November. Soil testing and site surveying underway at Coronation Park. Small proportion being used for swimming pool design and the rest allocated for the implementation plan. Cassowary Field received Qld Government grant to upgrade lighting on fields. Project brief now finalised for the Port Douglas Sports Complex. RFQ out with an awarded vendor notified around 4 May 2021, funds committed by the end of the Financial year. 30/6 Project to be re-tendered. Expected to be finalised by 12/21.	Medium risk	Expected to be on budget	
2	Placemaking Public Arts Installations Program	10,000	106	-	106	100%	Artwork Proposal Sunday by Yalanji Arts approved by Councillors at Council workshop. Artwork agreement.	Low risk	Installation and landscaping costs by Open Spaces team TBC, not included in budget costs.	
	Property Services									
6	Flagstaff Hill Communications Tower Replacement	43,220	11,300	-	11,300	100%	Project completed. New maintenance strategy proposed. No immediate repairs required.	Med risk	Under budget	
	Purchase Road Reserve to Accommodate Reef Bank	100,000	11	-	11	65%	DNRME application lodged in August. DNRME advertised permanent road closure and sale in early Nov received one objection. Property staff awaiting meeting with DNRME staff to discuss next steps. 27 January 2021 supplied Councils valuation to DR for comment. Road closure approved subject to payment of \$1.8 mill. Mayor seeking assistance from C.Lui.	High risk if unable to reach sale.	Once sale negotiated, will commence purchase.	
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7	Port Douglas Carpark Complex - Business Case	30,000	29,274	7,072	36,346	100%	Car parking analysis completed for Mossman. Port Douglas parking survey complete and findings to be presented at upcoming Councillor Workshop 01 June 2021.	Low risk	Expected to be over budget (18%)	
	ICT Services									
8	Mossman Computer Room Equipment Refresh Stage 2	336,099	333,845	6,164	340,010	100%	System went live 20 November. Minimal disruption. Remaining work / scope = Cloud Disaster Recovery Site - this will continue into next year but should not incur substantial further costs.	Medium risk. Remaining work yet to be designed and scoped.	Finalising majority of billing in the next week or so. May be some unexpected costs when the Disaster Recovery environment is built.	
9	Mossman Computer Room Upgrades	14,771	3,020	-	3,020	100%	Project complete	Complete	Under budget. Fire suppression system deferred to next year / future risk vs benefit analysis.	
10	Whyanbeel Network Replacement	79,392	48,729	7,640	56,369	100%	Last services successfully cut-over on the 18.06.21. Whyanbeel site needs to be commissioned and then will be complete	Medium risk. Scope now includes refresh of all network services. Risk depends upon vendor performance in build phase	Expected to be on budget or slightly under	
11	Video Streaming Room Setup	46,000	38,366	-	38,366	100%	Audio Equipment installed. Most Video equipment installed 16-18th June. Waiting on delivery of remaining items	Low Risk	Expected to be on or under budget	
12	MM Wireless Network Refresh	86,037	100,473	-	100,473	100%	Project complete	Complete	Over budget	
13	Desk Phone System - Call Recording	23,000	62	-	62	0%	Not yet commenced, will need to be carried over to 2021/22	Low Risk	Scope changed to include all of Council. Design not done, therefore budget requirements	
	Building Facilities									
14	Mossman Depot - Roof Replacement Stage 3	60,000	63,206	12,545	75,751	100%	Edge protection to be removed and Capitalisation report to be completed. Waiting on final invoice and edge protection to be removed.	Scaffold to be re-installed by licenced scaffolder after direction from WHS Qld.	Expected to be over budget	
15	Sugar Wharf - Toilet Renewal	437,958	288,042	179,190	467,232	60%	Toilets complete, electrical works to started with parts on order. Works to take place around existing bookings.	Project delays due to structural issues, film crew and high number of existing bookings.	Project expected to be over budget due to structural issues needing to be rectified.	
16	Sugar Wharf - Concrete Jetty	60,000	15,466	8,575	24,041	65%	Having issues sourcing contractors to quote on works. Will try vendor panel.	Works will be impacted by tide times with work intervals of only a few hours at a time	Expected to be on budget	
	Fleet									
17	Fleet Renewal Program	225,000	223,605	-	223,605	100%	Project complete	Complete	On Budget	
	Civil Works									
18	Tara Hills Road Culvert, Mossman	298,272	308,328	416	308,744	100%	Project complete on time	Complete	Slightly over budget	
19	Alchera Drive, Mossman	-	-	-	-	100%	Project cancelled (TMR will construct the refuge island)	Project cancelled	Saving	
20	Macrossan Street Roadworks	250,000	1,799	-	1,799	100%	DTMR Project	community expectations	DTMR Project	

	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Program Status	Project Risk Status	Project Budget Status
21	Road Reseal Program	600,000	601,431	-	601,431	100%	Project complete on time	Complete	Under budget
22	Sealed Road Pavement Rehabilitation Program	240,000	249,486	-	249,486	100%	Project complete on time	Complete	Slightly over budget
23	Junction Bridge Pedestrian Bridge	799,162	571,774	229,488	801,262	85%	Works to be delayed into next Financial Year.	Low risk	Expected to be slightly over budget
24	Warner Street, Port Douglas	341,788	203,301	-	203,301	40%	Works to be delayed into next Financial Year.	Weather, site constraints, community, covid-19	Expected to be on budget
25	Noah Creek Bridge	1,630,321	70,412	1,298,532	1,368,944	25%	Environmental permits received, Land purchase delayed.	Land purchase, Cultural Heritage	Delays impacting budget
26	Murphy Street Landslip	509,636	330,583	450	331,033	100%	Project complete	Complete	Under budget
27	Gravel Road Renewal Program	500,000	522,010	8,836	530,845	100%	Project complete on time	Complete	Slightly over budget
28	Kerb and Channel Program	250,000	301,994	-	301,994	100%	Project complete on time	Complete	Over Budget
29	Footpath and Road Lighting Program	200,000	219,219	-	219,219	100%	Project complete	Complete	Slightly over budget
30	Cooya Intersection	180,000	195,420	-	195,420	100%	Project complete	Complete	Over budget
31	Footpath Renewal Program	150,000	146,915	3,057	149,972	100%	Project complete	Complete	On budget
32	Mossman - Newell Footpath Design	149,390	93,839	22,705	116,544	90%	Works to be delayed into next Financial Year.	Low Risk	Expected to be on budget
33	Warner's Bridge Renewal	80,000	68,111	2,539	70,650	100%	Project complete on time	Complete	Under budget
34	Mossman Streetscape Improvement Program	50,000	21,633	52,413	74,046	60%	Project delayed due to insufficient budget to deliver	Community and Councillors expectations	Expected to be over budget
35	Anich's Bridge Renewal	80,000	71,262	11,741	83,003	100%	Project complete on time	Complete	On budget
36	Drainage Renewal Program	250,000	259,266	-	259,266	100%	Project complete on time	Complete	Slightly over budget
	Public Spaces								
37	Parks Renewal Program	750,000	688,059	70,104	758,163	100%	Project on track	Low Risk	Expected to be under budget
38	Macrossan Street Landscape Improvements	50,000	55,472	-	55,472	100%	Project complete	Complete	Over budget
39	Grant Street, Port Douglas	50,000	12,334	8,500	20,834	100%	Project complete. Concept for drainage improvements prepared	Complete	Under budget
	Environment & Planning								
41	Refurbish Pile Moorings at Port Douglas Boat Harbour	66,824	45,366	467	45,833	85%	All pile mooring fittings have been replaced and the pile moorings have been cleaned and old hardware removed. Dinghy racks in car park have been replaced and dumped.	Low risk	Expected to be on budget
	Resource Management								
42	Killaloe Well Part Replacements	16,000	11,758	-	11,758	100%	Project completed, awaiting final invoices.	Complete	Under budget
43	Renew Security Fencing at Killaloe and Newell Transfer Stations	25,000	16,804	-	16,804	100%	Project completed. Finalising for capitalisation.	Complete	Under budget
44	Newell Beach Transfer Station - Water Line	8,212	8,232	-	8,232	100%	Project complete	Complete	Under budget
45	Killaloe Dangerous Goods and Hazardous Waste Storage Bay	12,000	12,176	-	12,176	100%	Project complete	Complete	Slightly over budget
46	Killaloe Transfer Station Amenities and Crib Room	95,000	23,322	52,725	76,048	60%	Procurement finalised. Pre fab building ordered. Site works to start shortly. Plumbing to be completed after building install.	Weather; design against budget	Expected to be on budget
47	Cow Bay Transfer Station Phone Line	4,788	26	-	26	100%	Project complete	Complete	Expected to be on budget
48	Killaloe - Interim Capping	110,000	92,107	14,312	106,419	100%	Project complete, awaiting final invoices.	Complete	Under budget
49	Environmental Infrastructure Newell Landfill	121,380	109,041	2,197	111,238	100%	Filing, profiling & capping for stormwater diversion continues	Weather, contractor availability, material source	Expected to be on budget
50	Sanitary Depot Final Capping	173,000	96,569	2,608	99,177	90%	Rehab Plan to DES for approval. Advice received from DES. Reveg maintenance plan established. Council to confirm action on certification & possible early EA amendment. Minor earthworks for completion. Site security works in planning stage.	Consultant & contractor availability.	Expected to be on budget and carried over
	Wastewater								
51	Manhole Raise and Reseal Program	80,000	77,719	-	77,719	100%	Project complete	Complete	Under budget
52	Manhole Condition Assessment - Refurb Program	200,000	176,880	19,087	195,967	100%	Works effectively completed, project objectives not entirely completed due to incomplete work by contractor.	Awaiting final invoice from contractor	Expected to be under budget
53	MWWTP Class A Recycled Water Upgrade and Commission	75,000	101,816	-	101,816	100%	Project complete	Complete	Over budget
54	Sluice Valve Renewals Program	60,000	56,406	2,500	58,906	100%	Project complete	Complete	Slightly under budget
55	Pump Renewals Program	80,000	80,123	-	80,123	100%	Project complete	Complete	Slightly over budget
56	Flow Meters to Pump Stations - High Infiltration Areas Only	30,000	28,939	-	28,939	100%	Project complete	Complete	Under budget
57	PDWWTP UV Disinfection	274,817	271,054	10,086	281,139	100%	Installed and commissioned. Minor works remaining. New finger weir to be designed, fabricated and installed	Low risk	New finger weir to be designed, fabricated and installed ~\$11k
58	Auto-samplers	11,000	10,879	-	10,879	100%	Project complete	Complete	Under budget
59	PDWWTP Aerators and Diffusers	445,000	108,670	336,638	445,308	51%	Diffusers to be installed 2nd week Jul. Blowers arrive first week Jul. Installation to be completed consecutively. Meets completion date with EOT granted for funding.	EOT accepted for COVID funding	Expected to be within budget. Additional COVID funding reallocation providing surplus
60	RTU and Switchboard renewal	320,000	187,634	101,377	289,012	58%	Pilot Program commissioned. Hardware received and radios configured. 100% radios installed and operational. Server upgrades required for next stage rollout. IT budget.	Low risk. Switchboard procurement required after new funding (21-22 FY). Will take 5 months to procure and install. Project completion planned for end of December	Expected to be on budget
61	Mobile generator replacement	50,000	39,712	-	39,712	100%	Project complete	Complete	Under budget
62	MWWTP Ex-Clarifier Refurb	59,000	64,534	-	64,534	100%	Project complete	Complete	Over budget however original scope was investigation and actual scope included repairs
	Water Quality								

	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Program Status	Project Risk Status	Project Budget Status
63	Security and Disaster Response Strengthening Program	100,000	22,722	64,195	86,916	85%	Swipe card installation occurring. Fencing at Flagstaff Reservoir underway and Daintree WTP. Reservoir lids underway.	Low risk, annual rolling program	Expected to be on budget
64	Valve Pits Safety Improvements	15,000	13,815	-	13,815	100%	Project complete	Complete	Under Budget
65	Chemical WHS WTP Works	50,000	10,033	-	10,033	70%	Project scope returned to simplified design. Jacobs design not required. In-house delivery will ensure all works items are delivered fully by end of August.	Will now be delivered in-house due to changed scope and budget constraints	Expected to be on budget
66	Process Control Renewal Program	30,000	11,831	18,028	29,859	85%	Mossman WTP DWQMP compliance requirements added to project. PO raised for supply of control equipment	Low risk. Items coming from Europe which may delay deliver due to Covid-19 impacts	Expected to be around budget amount +/- minor costs. Allocation from W05341.
67	Pump Overhaul Program	30,000	10,239	-	10,239	100%	Project complete	Complete	Under Budget
68	UF Cartridge Renewals Program	300,000	266,332	-	266,332	85%	UF cartridges now delivered, however contractor not available to install until August so staff will be installing in-house	Payment schedule negotiated with Aus Supplier	US/Aus dollar, in house installation.
69	MWTP Raw Water Line Repairs	150,000	26,068	94,871	120,939	72%	Final Stages in progress	Undertaking repair to raw water main. Limited options to resolve	Expected to be on budget
70	Mossman Res Refurbishment	-	-	-	-	100%	Project cancelled	Project cancelled	Project cancelled
71	RTU and Switchboard Renewals for Water Quality	200,000	91,020	86,862	177,882	67%	Pilot Program commissioned. Hardware received and radios configured. 100% radios installed and operational. Server upgrades required for next stage rollout. IT budget.	Works will run into next financial year due to IT work and budget constraints on hardware	Expected to be within budget
72	MWTP Chlorine Project	450,000	35,633	179,632	215,265	65%	4 of 6 Chlorination Units have arrived in Brisbane. Works in design stage. Construction budget being developed which will need to be adopted and approved.	Medium Risk - Essential/Critical infrastructure, Safety in design risk, operational risk.	Expected to be over budget
Water Reticulation									
73	Reservoir Access Renewals	25,000	10,387	27,136	37,523	75%	Code/compliance complete. Cost savings on design - fabrication company to be completed in house design. In progress	Minimal risk - scope requires code compliance assessment, works won't affect reservoir operation	Over budget due to additional fabrication required to meet compliance requirements.
74	Water Network Service Renewals Program	748,480	808,226	45,167	566,842	0%			0
76	Smart Water Meter Program	6,654	23,421	-	23,421	80%	Presentations received from 2 shortlisted candidates	Grant funding received for half project value.	20/21 Grant funding reallocated to other projects. 21/22 grant funding received to continue project next FY
77	Water Main Renewal Program	200,000	65,965	116,393	182,358	70%	Survey works Grant St Complete. Survey Works Whynabeel to be completed 2/7. Concept design to be supplied around middle of July and final designs in August. Scope has had to be reduced by eliminating Cassowary Hydraulic Assessment.	Low Risk - Design work	Current WIP is \$215,015 and a negative PO will be raised for \$35,530. Expected to be approx another \$15,000 of additional cost therefore project WIP at the end of project should be approx \$195,000.
78	Additional Water Extraction Site - Design	150,000	132,687	-	132,687	61%	Part 1 completed. Decision to move forward required.	Part 2 costs to be reviewed with contractor	Part 2 costs more than expected. To be reviewed before proceeding.
79	Raw Surface Water Impoundment Reservoir	65,000	50,178	15,050	65,228	87%	Stage 3 feasibility report being finalised in July	Risks have been mitigated	Expected to be on budget
80	De Meio Bore Pump	50,000	54,432	-	54,432	100%	Bore Pump installed all works completed	Low risk	Budget shortfall. Additional fabrication cost for protective cage, additional earth work costs due to location in drain
Disaster Recovery									
81	Cape Tribulation Bloomfield Rd CAT D Upgrade	3,494,323	93,147	3,102,119	3,195,266	35%	Construction Tender Stage	remote work	budget tight
82	Zig Zag Rd CAT D Upgrade	3,294,586	99,847	3,101,280	3,201,127	35%	Construction Tender Stage	remote work	budget tight

Budget Review Additional Projects										
	Project Name	Budget	Actuals	Committals	WIP (Actuals & Committals)	Percentage Complete	Program Status	Project Risk Status	Project Budget Status	
	Community Development									
1	CCTV - Port Douglas Sports Complex	10,000	9,077	-	9,077.27	100%	Project complete	Complete	Under budget	
2	Boomgate and Information Shelter Mossman Van Park - LRCI Grant Funded	36,000	36,053	-	36,052.56	100%	Boomgate will be installed during disability access works.	Low	Installation of boom gates and information area is underway.	
3	Safe Places Emergency Accommodation - Grant Funded	760,400	7,601	681.82	8,283.22	8%	Grant received in October, initial planning phase begun. Land purchased. PCG formed on scope of works of area. Sketch plan and options presented to Council on 15 December 2020, PCG revised sketch plan and have engaged contractor for quote to review sketch to provide new updated concept.	High	PCG engaging potential providers to operate. PMO to progress to design phase	
4	Port Douglas Pool and Splash Park-Masterplan, Concept & Detailed Designs	465,000	3,944	-	3,944.16	10%	Sketch plan and options presented to Council on 15 December 2020, PCG revised sketch plan and have engaged contractor for quote to review sketch to provide new updated concept.	Low	To tender	
5	Mossman Pool & Caravan Park Redevelopment-Detailed Designs	40,000	-	-	-	100%	Reseal complete. Pool fill and balance underway.	Low	In progress waiting on quote	
6	Mossman Pool expansion joints reseal program	100,000	93,249	-	93,248.56	100%	Reseal complete. Pool fill and balance underway.	Nil	Within budget. Utilising approved reallocated funding.	
7	Mossman Pool Lighting design and installation	120,000	3,254	112,378.75	115,633.03	90%	Primary work underway. Foundations being installed. Delay to planned completion due to piping rectification work.	One foundation unable to be installed due to piping repair. EOT granted for funding	Expecting variation for deeper than expected foundations and remobilisation due to piping rectification work.	
	Property Services									
8	QT Pool Engineering Assessment	560	3,769	-	3,768.69	100%	Project complete	Complete	Over budget	
9	Purchase Land for Emergency Safe Places Accommodation	100,000	90,745	-	90,744.83	100%	Project complete	Low	Under budget	
10	Wonga beach caravan park grey water system	120,000	441	-	440.61	5%	Scope of works to be developed in early 2021.	Low	Expected to be on budget	
11	Wi-Fi Wonga Van Park - LRCI Grant Funded	8,337	9,076	-	9,075.65	100%	Wifi installed attaching CCTV which will be installed in December.	Low	Over budget	
12	Purchase of Mossman Golf Club	202,181	219,325	-	219,324.51	100%	Project complete	Low	Over budget	
13	Purchase of Mossman Golf Club- Business Case Assessment	6,819	8,717	-	8,717.46	100%	Project complete	Complete	Under budget	
14	Upgrades to Mossman Golf Club	155,000	109,299	1,410.00	110,709.30	60%	Scope of works in development and currently quoting on minor upgrade works. Kitchen works in progress. Pool works and	Low	30/6 Planning application for road underway. Estimated completion Sept 2021	
	ICT Services									
15	Asset Management System feasibility & data prep	40,000	273	-	272.66	100%	Reviewed several proposed systems. Shortlisted two entities. One of the entities subsequently acquired the other. Prepared	Low Risk	Have not conducted to date, will be some saving - earmarked to be utilised in Stage 2 21/22 & CIS officer	
	Building Facilities									
16	Diwan Generator	25,000	16,659	-	16,658.57	100%	Project complete	Complete	Under budget	
17	Replace stand by Generator at Daintree Ferry House	10,000	7,723	909.00	8,631.50	100%	Project Complete - preparing capitalisation report	Issues with mobility and flooding.	Expected to be on budget	
	Civil Works									
18	Concrete Floodways Forest Creek Road - LRCI Grant Funded	150,000	141,349	-	141,348.66	100%	Project complete on time	Complete	Under budget	
19	Speed Cushions Marlin Drive Wonga - LRCI Grant Funded	30,000	34,031	-	34,031.10	100%	Project complete on time	Complete	Over Budget	
20	Floodgates Wharf Street Port Douglas - LRCI Grant Funded	219,324	126,716	-	126,716.14	60%	Funding arrangements end of June 2022. Project to be completed end of November 2021	Issues with DAF, Communicating with the Funding body to find alternative solutions.	Expected to be under budget	
	Public Spaces									
21	Diggers Park	126,469	69,935	54,017.28	123,952.48	60%	Project delayed however has now recommenced.	Design risk - Flooding	Expected to be on budget	
	Environmental Planning									
22	Reef Assist Program- Dune Rehabilitation in Douglas	360,500	114,038	259,831.85	373,870.19	50%	Assistant nursery technician employed for 12 months. Foreshore Management Plan Draft released for public	Low risk	Expected to be on budget	
	Disaster Management									
23	Disaster Coordination Centre Feasibility & Design - Grant Funded	48,200	45,280	-	45,280.00	100%	Final concept design and construction estimated delivered. Presentation ETA July/August 2021	Low risk	Expected to be on budget	
24	Creb Track - DRFA Funded	50,000	1,115	-	1,115.47	35%	Site lat/longs and description sent to program coordinator	Low risk	Expected to be on budget	
25	McDowall Range - DRFA Funded	20,000	2,537	-	2,537.26	35%	Alternate site issued to FNQROC north along the creb track	Low risk	Expected to be on budget	
26	Stewart Creek Valley - DRFA Funded	20,000	1,061	-	1,060.59	35%	Site lat/longs and description sent to program coordinator	Low risk	Expected to be on budget	
27	Mossman TP - DRFA Funded	20,000	1,061	-	1,060.59	35%	Site lat/longs and description sent to program coordinator	Low risk	Expected to be on budget	
28	Rex Creek Intake - DRFA Funded	20,000	1,061	-	1,060.59	35%	Site lat/longs and description sent to program coordinator	Low risk	Expected to be on budget	

Projects not yet formally adopted by Council									
	Project Name	Budget	WIP (Actuals & Committals)	Percentage Complete		Program Status	Project Risk Status		Project Budget Status
Disaster Management									
1	Digital Notice Boards- Monsoon Grant	69,000	68,999	100%	<input checked="" type="checkbox"/>	Screens currently being installed at Cow Bay Primary Health Clinic (wall-mounted) and Port	<input checked="" type="checkbox"/> Low risk		<input checked="" type="checkbox"/> Expected to be under budget
2	Recovery & Resilience Grant	857,000	-	0%	<input checked="" type="checkbox"/>	Submitted end of March 2021. Awaiting approval	<input checked="" type="checkbox"/> 0		<input checked="" type="checkbox"/> 0
3	Microsoft Surface Hub- Gambling Community Benefit Grant	15,181	16,140	100%	<input checked="" type="checkbox"/>	Project complete	<input checked="" type="checkbox"/> Complete		<input checked="" type="checkbox"/> Under budget

REPORT AUTHOR(S) Natasha Murray, Manager Infrastructure

RECOMMENDATION

That the Audit Committee note the verbal report provided on the Daintree Ferry Update.

EXECUTIVE SUMMARY

The Manager Infrastructure will present a verbal report on the Daintree Ferry.

ATTACHMENTS

Nil

REPORT AUTHOR

Juanita Warner, Acting Chief Executive Officer

RECOMMENDATION

That the Audit Committee note the Internal Audit Plan report.

EXECUTIVE SUMMARY

The Internal Audit function is one component of the Douglas Shire Council's Governance Structure. In addition to key management controls and the organisation-wide risk assessment process, the Internal Audit function provides the organisation's stakeholders with a level of assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements.

BACKGROUND

In accordance with section 207(1) of the *Local Government Regulation 2012* (LGR 2012), Council must prepare and carry out an internal audit plan each financial year. Additionally, Council is to receive a progress report to enable it to assess compliance with the adopted internal audit plan.

The purpose of this report is to discuss with the Audit Committee areas that have been covered through Internal Audit and the planned scope of area for 2021/22.

COMMENT

Pacifica Chartered Accountants have been performing the Internal Audit for Douglas Shire Council for a number of years. These projects were prioritised to focus on the immediate needs of management and provide assurance coverage over elements of the Council's most significant risks. The following represents Internal Projects that have been previously completed for Council.

FY 2014: Specific Procedures requested by Management & Payroll Processes.

FY 2015: Cash Handling Practices / Procurement Compliance / Rates and Water Billing Procedures.

FY 2016: Customer Request Management / Plant Management Practices / Stores and Inventory Management.

FY 2017: Trust Account Validation.

FY 2018: Financial Statement Assurance / Property and Leasing / Fraud Risk and Ethical Conduct.

FY 2019: Data Analytics / Grants Application and Management Process / Risk Assessment of changes to payroll function reporting lines.

FY 2020: Revenue Assurance & Cash Handling / Water Management Practices.

FY 2021: CRM / Corporate Cards / Environmental Compliance.

Attached is the 3 year plan.

There are a number of scopes planned for the upcoming year. Seeking assistance in determining which areas the Audit Committee would like for the 2021/22 Internal Audit Plan.

ATTACHMENTS

1. Risk- Aligned Strategic Annual Internal Audit Plan 2020-22 - DSC - Year 2 (F Y 2021)
ST C 230720 [6.5.1 - 8 pages]

CONFIDENTIAL

INTERNAL AUDIT MEMORANDUM

DOUGLAS
SHIRE COUNCIL

RISK-ALIGNED
STRATEGIC INTERNAL AUDIT PLAN FY2020-2022

AND

ANNUAL INTERNAL AUDIT PLAN FOR FY2021 (YEAR 2)

JULY 2020

 **Pacifica**
CHARTERED ACCOUNTANTS

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COMMERCIAL-IN-CONFIDENCE



1. Background

The Internal Audit function is one component of Douglas Shire Council's (Council) governance framework. In addition to key management controls and the organisation-wide risk assessment process, the Internal Audit function provides the organisation's stakeholders with a level of assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements.

Supported by legislation, the Internal Audit function is directed to examine, assess and evaluate the operational and financial control measures that Council has adopted, or plans to adopt, to manage business risks that have the potential to impact the achievement of the corporate objectives. In doing so, the Internal Audit function must review the key corporate-wide risks and consider the areas of the organisation, in consultation with Management, that require or would benefit from internal audit activity.

2. Internal Audit planning approach using Corporate Risk Register outputs

The outputs of the Risk process are best utilised by Internal Audit to develop an Internal Audit Plan that assesses the effectiveness of the existing systems, processes and controls that are implicitly relied upon by the Executive Team.

By assessing the application and effectiveness of existing systems and controls (Risk Treatments) as they operate in the organisation, Internal Audit provides independent and objective information to the Leadership Team (Council, Executive Team and Audit Committee, where one exists) about the level of reliance that should be placed on existing systems and processes, and will also identify improvements required.

Furthermore, Management is best placed to continue to progress actions that strengthen existing systems and controls where there are known deficiencies, lower than expected (or unacceptable) effectiveness ratings or further initiatives/management actions are required to move the risk to a level that is tolerable.

It is important that Internal Audit is cognisant of the work being undertaken and planned by Management to reduce or mitigate risks and leave enough time for these initiatives, systems and controls to become embedded before Internal Audit assess their effectiveness. Exceptions to this may be reviews designed to establish a baseline position as a guide to future Management initiatives or to provide assurance that the implementation status or progress of an initiative is adequate and can achieve the desired objectives.

3. Alignment and prioritisation of Internal Audit projects to the Corporate Risk Register (auditable risk areas)

The appropriateness of our judgments on the organisation's key risks were reconfirmed in consultation with the Chief Executive Officer and Mayor in July 2020.

In developing the Internal Audit Plan, we focussed on those risks where the effectiveness of systems and controls are integral to reducing the severity of the risk, and where internal controls were expected to be in place and operating. The most significant risks identified from our review of the Douglas Shire Council Risk Registers, and discussions with management, capture the rationale for Internal Audit activity and are included below.

[SECTION ENDS]



3.1 Rationale for determining the direction of Internal Audit effort based on risk severity

In our assessment of Council's Corporate Risk Register, we considered the residual risk ratings and Management's assessment of the control effectiveness of existing systems and controls to mitigate those risks. We used this information to develop a list of possible projects for discussion with management and prioritise the Internal Audit projects to be performed in each year. The basis for our rationale, as it relates to each risk is outlined in the table below. It is important to recognise that not all risks and/or risk treatments are auditable.

Our analysis of the alignment between each risk and potential Internal Audit projects is included in section 3.3 – Risk Assurance Map, and sections 4.1 – Proposed Projects - Internal Audit Plan 2021-2023 and 4.2 – Alternative Audit Projects (available for Substitution) later in this report.

3.2 Summary of past Internal Audit Projects

The following represents the Internal Projects that have previously been completed for Council. These projects were prioritised to focus on the immediate needs of management and provide assurance coverage over elements of the organisation's most significant risks:

FY 2018:

- Property and Leasing
- Fraud Risk and Ethical Conduct

FY 2019:

- Grants Application and Management Process
- Payroll Function - New Structure Assurance
- Grant Acquittal - Reservoir Funding

FY 2020:

- Revenue Assurance & Cash Handling
- Water Management Practices

[SECTION ENDS]



3.3 Risk Assurance Map – Agreed Internal Audit Projects - Aligning Internal Audit effort to the Douglas Shire Council Corporate Risk Register

This table shows the alignment between the operational risks to which the organisation is exposed, and the proposed Internal Audit projects identified during consultation with the Executive Management Team. Not all the key risks identified are auditable or suitable for review by Internal Audit in the short-term as further Management action is required. Where auditable, we have provided our view of the type of Internal Audit coverage that will be provided over key processes in place to mitigate the risks identified in Council’s Risk Register.

IA Coverage: ■ Direct | ■ Indirect

Rationale for determining the direction of Internal Audit effort based on risk severity (per 3.1 above)		2019 - 20 Plan		2020 - 21 Plan				2021 - 22 Plan					
		Revenue Assurance & Cash Handling Review - selected areas	Water Management Practices Review	Corporate cards, Standing accounts, Staff reimbursements and fuel cards Review	Customer Request Management Practices	Environmental Compliance – Waste services	Records Management Practices	Payroll processes, including HR selection & exit procedures	Developer Contributions - development approvals, headworks calculations, payment riggers and collection processes	Accounts Receivable & Debtor Management, including Payment Card Industry Data Security Standard	Information security management, including data breach requirements	Asset Management and Asset Accounting - identification and recognition (new & existing infrastructure/assets)	Councillor Obligations, including Implementation of Council Decisions
1	Failure to deliver essential services	✓	✓		✓	✓						✓	
2	Failure to deliver projects	✓		✓	✓	✓						✓	✓
3	Potential for ineffective financial management	✓		✓	✓	✓	✓	✓	✓	✓			
4	Failure of Corporate Business Systems						✓			✓	✓		
5	Lack of capacity, skills or capabilities to meet emerging needs of the organisation		✓		✓	✓	✓	✓			✓	✓	✓
6	Inability to effectively respond to and recover from disaster events		✓									✓	
7	Fraud and corruption	✓	✓	✓				✓	✓		✓		✓
8	Failure to comply with statutory and legal organisational obligations and responsibilities		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Reduction in revenue raising capacity	✓								✓			
10	Political risks	✓							✓				✓
Number of Risks covered by the IA Project		6	5	3	5	5	4	4	4	4	4	5	5



4. Summary of proposed Internal Audit effort – Annual Internal Audit Plan

The Internal Audit activity will comprise the following components:

Internal audit activity - type	Description of activity	TOTAL DAYS		
		Year 1 FY2020	Year 2 FY2021	Year 3 FY2022
Designated Project Reviews	This Internal Audit Plan sets out the designated Internal Audit projects to be undertaken in each year. The specific projects are detailed to be performed each year are included in Section 4.1 of this document.	27	44	TBA
Audit Matrix – Progress validation	The Audit Issues Register is maintained by Council to track and monitor the implementation status of Management actions in response to findings raised by Internal and External Audit. Internal Audit has not performed any validation of the status of previously raised findings to provide assurance to Council (or the Audit Committee where one exists) that the status of Management's actions is fairly reported. An estimate of the time required to complete this task can be provided if required, however we can also provide management with suggested approaches used by other Councils that can be explored. Management (and the Audit Committee where one exists) may prefer other attestation protocols that do not require Internal Audit involvement enabling the function to focus on project reviews over administrative tasks. However, we are committed to assisting wherever it is most suitable to Council.	-	TBA	TBA
Probity Advisory & Assurance Services over Large-Scale Procurement	Large-scale procurement can carry significant risks to Council. At times, an external independent Probity Advisor may benefit Council to mitigate some of the risks and ensure compliance. Pacifica has an independent Probity Advisory Service available to Council. Our tailored approach covers probity risks associated with the application of Sound Contracting Principles (LGAct2012) and provides assurance over: <ul style="list-style-type: none"> Fairness and impartiality Accountability and transparency of process Confidentiality and security of information and materials Effective management of conflicts of interest 	-	If required	
Special Projects & Hot Topics	Hot topics are rapid reviews or investigations into specific activities/areas that are carried out in short timeframes. Management (or the Audit Committee where one exists) may, from time to time, request that Internal Audit provide assurance or information on a specific topic, such as: <ul style="list-style-type: none"> Follow-up Review of Port Douglas Markets 	-	If required	
Internal Audit Planning and Coordination	The following activities are required to deliver an effective, integrated and credible Internal Audit function at Douglas Shire Council: <ul style="list-style-type: none"> Formation of the Strategic Internal Audit Plan and Annual Internal Audit Plans in accordance with S.207 LGR2012 and the Professional Standards of the Institute of Internal Auditors; Preparation for and attendance at (in person or teleconference) Audit Committee Meetings (where one exists), including Internal Audit Status Reporting; Liaison with External Auditors and/or third-party assurance providers where appropriate; Meetings with Internal Audit Sponsor or Executive Management as required; Annual Internal Audit Professional Standards Declaration, where required. 	6	3	3
Summary of Total Days allocated to proposed Internal Audit activity		33	47	TBA



The following table represents each of the proposed project areas that Management and Internal Audit support for delivery over the three (3) years. For each project, we have included an overview of the project objective, the link to specific relevant key risks within Council's Corporate Risk Register, and an estimate of the number of days.

4.1 Proposed Annual Internal Audit Plan FY2020 -2022

AUDIT ACTIVITY	Overview of project scope	Proposed Days		
		2020	2021	2022
YEAR 1 – FY2020 – COMPLETE				
	<i>Revenue Assurance, including Cash Handling Practices – selected income streams</i>	12		
	<i>Review of Water Management Practices</i>	15		
YEAR 2 – FY2021				
1. Corporate Cards, Standing Accounts, Staff Reimbursements & Fuel Cards. [DEFERRED FROM FY2020]	Internal Audit will examine, on a sample basis, the nature of corporate transactions to determine whether cardholders (credit and fuel) and other reimbursable and standing account arrangements are compliant with Council policy. The review will examine the appropriateness, completeness and application of Delegations of Authority vested in officers to perform their roles and duties. Assess the adequacy of internal controls in place to ensure delegations are known, properly applied, controlled and monitored.		10	
2. Customer Request Management Practices	Customer Request and Complaints Management is an essential part of Council's service responsibility and it requires a systematic approach to ensure satisfactory outcomes. The review will examine the effectiveness and efficiencies of the procedures to capture, process and close-out Service Requests and formal complaints.		12	
3. Environmental Compliance – Waste services	Council has significant environmental management obligations internally, to third-party agencies and to the community. The effectiveness of environmental management systems, processes and practices to monitor and prevent environmental impacts of Council operations (or identify and resolve environmental breaches) is strongly aligned with Council's Corporate Objectives and captured implicitly in risks in the Corporate Risk Register. Waste Services will be the focus of the Internal Audit, with the potential to expand the review to other areas if time allows. This project will assess Council's Waste Management compliance with requirements of environmental legislation ISO 14001:2015 (or more recent).		10	
4. Records Management Practices	Records management comprises the creation, receipt, maintenance, use, safeguarding, and disposal of records. It includes processes for capturing and maintaining evidence and information of business value. Enabling the effective management of records throughout their life-cycle requires knowledge of the business; system support; naming conventions consistently applied; appropriate access rights; knowledge of disposition practices such as archiving, transferring and deleting; and, importantly, compliance with the policy and standards established throughout the process. Sound records management contributes to the timely provision of information under the <i>Right to Information Act 2009</i> and <i>Information Privacy Act 2009</i> which is essential to meeting legislative requirements and mitigating reputational risks to Council.		12	



YEAR 3 – FY2022				
1. Payroll processes, including HR selection & exit procedures	As one of the largest operational expenses, payroll (including overtime, allowances and entitlements) will be examined by internal audit to ensure that the internal controls surrounding additions, deletion and changes to key information are adequate. Consider any results of previous reviews on Council's payroll system and determine if the issues have been adequately addressed. Further, given the number of employees and the potential staff turnover that may arise, there will be benefit in reviewing the processes associated with employee movements in to and out of the organisation through the HR selection, induction and exit procedures.			15
2. Developer Contributions – development approvals, headworks calculations, payment triggers and collection processes	Infrastructure charges are levied upon developments as part of the development assessment process. Charges are collected or assets constructed contribute to the provision of essential trunk infrastructure to service the region. Deficiencies in the process can result in significant write-off of Council income. The review will consider procedures for tracking and monitoring approved developments to gain assurance that the process improvements and control activities expected are in play and operating effectively and efficiently. This review will assess how headwork charges are tracked, recognised and the timeliness of identification and collection of income.			15
3. Accounts Receivable & Debtor Management, including Payment Card Industry Data Security Standard	As the Rates and Water Billing collections processes have been reviewed in a previous internal audit, management have recognised that an opportunity exists to review the accounts receivable and debtor management practices for other revenue streams. Evaluate controls around credit worthiness, credit approval, maintenance of accounts receivable master file, reporting, treatment of outstanding accounts, entering repayment plans, doubtful debts, provisioning for bad and doubtful debts. As part of the review, we will also examine the security controls and retention of payment card data that Council collects through online and card payment methods. Payment Card Industry Data Security Standard (PCIDSS) is a mandatory compliance requirement for all enterprises that process, store, transmit or access cardholder information.			13
4. Information security management, including data breach requirements	The stability and effectiveness of Council's Information Systems environment is critical to the organisation's ability to operate and deliver on community expectations. Internal Audit will examine Council's protocols (in accordance with the requirements of ISACA) in place to secure and protect Council's information and systems, including back-up protocols, business continuity procedures, physical security measures, supplier performance and network stability. As part of the review, we will also examine Council's readiness under the <i>Privacy Amendment (Notifiable Data Breaches) Act 2017</i> to report on any obligations to notify individuals whose personal information is involved in a data breach (if such were to occur) that is likely to result in serious harm.			20
5. Asset Management and Asset Accounting – identification and recognition (new & existing infrastructure assets)	Council has a significant existing asset base to which it constantly adds, maintains at the same level or improves (betterment). Maintaining the accuracy and completeness of the asset registers and the processes needed to identify, record and recognise assets across various departments is complex. There are significant adverse impacts for Council if deficiencies exist in work practices.			12



6. Councillor Obligations, including Implementation of Council Decisions	High level examination of the practices and awareness of Councillor obligations under the Local Government Act, Local Government Regulations and the Belcarra Reforms. This review will focus predominantly around keeping up-to-date declarations and disclosing material personal interest (at meetings and in general). To provides a holistic assessment of management and Councillor processes that support decision making and delivery, Internal Audit will also evaluate the processes in place to ensure that Council decisions are recorded, tasked and actioned in a timely matter; and that completed actions are appropriately recorded and/or reported upon to Council/CEO/Manager. The review will consider the quality and content of officer decision reports and the rigour in formulating the recommendation to Council, as well as mechanisms in place that ensure 'enduring' Council decisions are completely and correctly reflected in formal registers and legislative requirements are met.			14
Proposed level of Internal Audit effort – Project days only		27	44	89

4.2 Alternative Audit Projects (Available for Substitution)

Several alternative projects were considered in developing the above Internal Audit plan. When prioritised the following projects were considered relevant but not as high a priority as the projects selected above. These projects have been captured below as potential substitutable projects, if Council's need change or other risks emerge requiring Internal Audit attention:

- Project Management, Recoverable Works & Contract Administration
- Maintenance Management Systems & Processes
- Contract Management & Procurement
- Works Programme Budget Development (capital & maintenance budgets)
- Non-Financial Delegations of Authority
- Compliance Management systems and reporting

REPORT AUTHOR

Juanita Warner, Acting Chief Executive Officer

RECOMMENDATION

That the Audit Committee note the Enterprise Risk Management Update Report.

EXECUTIVE SUMMARY

Risk Management is ensuring Council understands and manages risks and seeks to ensure that there is consistency to the methods used in assessing, monitoring and communicating risks across the organisation. Council will maintain a program of strategic and operational risk management to ensure that the community and the Council are protected against loss by adding clarity to decision making. This will place Council in a position to capitalise on opportunities by providing a better understanding of the implications of decisions over the long term.

BACKGROUND

The ERM was reviewed and updated in May 2021.
 The ERM was workshopped with Councillors mid-June 2021.
 The ERM was presented to the Audit Committee in June 2021 for endorsement.
 The ERM was adopted by Council at its June Ordinary Meeting 2021.

COMMENT

The Corporate Risk Register has been added to the Management Team Strategic Meeting each fortnight. Risk owners will go through their risks and update Management Team of any changes that have been identified. At the 6 August Meeting the following areas were discussed:

Risk # 1 Potential for ineffective financial management
 Risk # 3 Failure of corporate business systems
 Risk # 14 Fraud and corruption

Management Team have been asked for comments on the changes and these will be approved at the next Management Team Strategic Meeting.

ATTACHMENTS

1. Corporate Risk Register [6.6.1 - 8 pages]
2. RTP No 1 Potential for Ineffective Financial Management [6.6.2 - 3 pages]
3. RTP No 2 Inability to effectively respond to and recover from disaster events [6.6.3 - 7 pages]
4. RTP No 3 Failure of Corporate Business Systems [6.6.4 - 4 pages]
5. RTP No 4 Loss of Public Confidence [6.6.5 - 3 pages]
6. RTP No 5 Inadequate Compliance with WHS Systems [6.6.6 - 2 pages]
7. RTP No 6 Failure to Comply with Statutory and Legal Organisational Obligations [6.6.7 - 2 pages]
8. RTP No 7 Reduction in Revenue Raising Capacity [6.6.8 - 2 pages]

9. RTP No 8 Lack of Capacity Skills or Capabilities to meet Emerging Needs [**6.6.9** - 2 pages]
10. RTP No 9 Failure to Deliver Projects [**6.6.10** - 2 pages]
11. RTP No 10 Failure to Deliver Essential Services Water Sewerage Transport Waste [**6.6.11** - 3 pages]
12. RTP No 11 Political Risks [**6.6.12** - 2 pages]
13. RTP No 12 Failure to Undertake Lobbying and Advocacy [**6.6.13** - 2 pages]
14. RTP No 13 Absence of Essential Records [**6.6.14** - 2 pages]
15. RTP No 14 Fraud and Corruption [**6.6.15** - 3 pages]
16. Contract W O 5040-02 Donovan Range Pavement Upgrade - Change to Contract [**6.6.16** - 4 pages]

Douglas Shire Council Corporate Risk Register

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
1	Potential for ineffective financial management	Chief Financial Officer	<ul style="list-style-type: none"> - Lack of strategic planning - Inappropriate staffing/management - Failure to monitor forward estimates / life-cycle costs / long-term financial sustainability - Poor Budget control - Councillor decision-making - Poor internal controls - Poorly managed financial delegations - Under insurance - Lack of asset management strategies/systems - Delays in budget adoption due to Council elections 	<ul style="list-style-type: none"> - Modified audit - Budget overspend - Reputation and community backlash - Fraud - Loss of significant investment income (contract work) - Loss of confidence by Government Departments and regulatory bodies - Additional scrutiny from regulatory bodies. 	4	4	High L4/C4	<ul style="list-style-type: none"> - Regular budget monitoring and reviews as required - Monthly Reporting - 10 year financial modelling - Audit (internal / external) - Suitably qualified professional staff - Asset management plans - Adherence to all financial policies - Financial system in place - Separation of duties - Documented internal controls and reconciliation processes - Maintenance of Audit Matrix - Enhanced organisation wide communication - Accumulated historical data - Ongoing refinement of business processes - Availing of professional development and applicable networking opportunities - Allocate sufficient funding to allow expert consultancy as required - Appropriate delegations, reviewed and updated regularly - Appropriately skilled and qualified staff - Workforce planning - Working with Audit Committee 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Action audit matrix items as soon as practical - Ongoing documentation of all internal controls and reconciliation processes - Ongoing refinement of 10 year financial modelling - Align the long term financial plan, 10 year capital works plan and Asset Management Plans - Reliance on available historical data and trends to inform future budget forecasting - Develop effective Councillor and staff induction programs - Implement an Asset Management System & engage a GIS Officer - Implement the Project Decision Making Framework 	#431977

Douglas Shire Council Corporate Risk Register

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
2	Inability to effectively respond to and recover from disaster events	Manager Environment & Planning	<ul style="list-style-type: none"> - Planning and preparation not adequately undertaken - Poor communication to community and within Council - Community not aware of risk - lack of community resilience - Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone- / flood- / fire-proof - Risk assessment of hazards not undertaken - Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone- / flood- / fire-proof - Major / prolonged loss of telecommunications- Lack of trained staff - insufficient staff and resources - staff fatigue - Failure to plan and prepare - Failure to adequately identify vulnerable populations - Out of date or inadequate Disaster plans and sub-plans - Cyclone shelter and evacuation centres not prepared or adequately identified - lack of appropriate equipment or inadequate maintenance - Insufficient or incorrect data intelligence - Demands from other agencies detracts from tasks at hand - Media sensationalism 	<ul style="list-style-type: none"> - Potential Loss of life and injury - Financial/economic loss - Delay in recovery across human and social, economic, roads and transport, infrastructure and environmental spheres - Loss of reputation - incursion of significant costs that can't be claimed - Lack of communication - Reduced Financial Stability 	4	4	High L4/C4	<ul style="list-style-type: none"> - Local Disaster Management Group - MOU with other NQ Councils. - Preparation and annual reviews of Disaster Management Plan and sub-plans - Trained personnel including backups for each position - Appointment of dedicated Disaster Management Officer - Dedicated resources including Council Incident Management Team and SES - Disaster Coordination Centre appropriately set up and resourced - Disaster management software (Guardian), Disaster Dashboard development, multiple communication mediums for communication with community - Infrastructure to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures - Programs to build community resilience, planning and preparation - Alternative communication systems (two way radio system, sat. phones, sat. texting) - Staff trained in the Qld Reconstruction Authority methodologies - Exercising of disaster plans and building relationships with agencies - Community engagement and resilience development - Collaboration with other agencies - Local Disaster Management Officer Network - Get Ready Program for resilience training 	2	4	Medium L2/C4	<ul style="list-style-type: none"> - Documentation of plans (Disaster management & Sub-plans), exercising of the plans and review and update of the plans - Continued recruitment activity for IMT and development of the IMT through training - LDMG selection and training - Employment of dedicated Disaster Management Officer - Councillor education - Ongoing risk assessment and implementation of mitigation measures both Capital (e.g. causeway program) and operational - Development of communication systems including the Disaster Dashboard, text and email capacity - Improvements through cloud based disaster software (Guardian) - Undertaking reviews of vulnerable populations and the impacts of climate change on existing studies/risks - Disaster Coordination Centre appropriately set up and resourced - Continued development of multiple communication mediums for communication with community - Program of infrastructure development to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures - Programs to build community resilience, planning and preparation - Alternative communication systems within Council (two way radio system, sat. phones, sat. texting) - Staff trained in the Qld Reconstruction Authority methodologies - Exercising of disaster plans and building relationships with agencies - Development and use of forecasting system (including ne BOM methodologies) 	#431983

Douglas Shire Council Corporate Risk Register

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
3	Failure of Corporate Business Systems	Chief Financial Officer	<ul style="list-style-type: none"> - Major / prolonged loss of telecommunications - Updating/cross over to new networks causing disruption to connections e.g. NBN, 5G - Cyclone / flood / fire damage to critical IT infrastructure - Old / unpatched software & infrastructure with known or unknown security vulnerabilities - Security of data internally - Failure of businesses software or inadequate software for Council's growth - Decentralised software not aligned with current systems - Cyber attack to network & or corruption of data due to malware - Reduced capacity to afford and implement hardware / software upgrades - Inadequate system's security / poor access controls & approval practises - The organisation's IT environment grows to exceed the capacity of current IT resources to deliver and maintain - Lack of trained staff across the organisation -Inadequate/untested Business Continuity Plan -Audit logs on critical IT systems and processes not maintained - Pace of change in computer (hardware / software) technology -Licences and permits not maintained -Institutional IT system configurations, communication and data flows not documented - IT assets and systems not prioritised based on their classification, criticality and institutional value -Critical data breach -Failure to ensure strategic direction for IT operations including relevant stakeholders -Inadequate policies and procedures -Insufficient IT staffing 	<ul style="list-style-type: none"> - Inability to conduct core business - Financial impacts - Reputation and community backlash - Loss of critical information - Unexpected diversion of resources to remedial efforts 	3	4	High L3/C4	<ul style="list-style-type: none"> - Maintenance of system backups (on & off site) - Standby generator - Budgeting for routine maintenance, disaster recovery testing as well as upgrades, including any external assistance - Maintain high levels of System Security and access approval procedures. - Document and test business continuity processes - Frequent notification security risks provided by State Government - Up skilling of all staff in IT. - Highly skilled IT team with contemporary knowledge - Ensuring all approved IT activities are within the capacity of current IT resources to deliver - Ensure there is capacity to operate and maintain new services as part of the ICT governance approval process for new services. - Regular meetings of the IT Steering group to monitor risks & progress to plan of routine maintenance & governance activities -Various software preventing introduction of any program not whitelisted -2 Factor identification implemented for off-site entry to Council platforms -Accounts Payable email address blocked to all non-whitelisted parties -Offsite remote connectivity for use in emergency/pandemic - Extensive Cyber Risk training for all staff 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Continue to operationalise the ICT Governance framework including Cyber strategy - Ensure the IT budget, work plan & resources is sufficient to maintain and operate the environment to meet the performance measures above - Establish a hot disaster recovery environment for core systems - Create a duplicate 'cloud' environment for business continuity recovery plan - Develop a Telephone system strategy for upgrade and offsite mobile cut across & soft-phone systems to improve connectivity & business continuity - Continue the implementation / upgrade of approved Civica software modules - upgrade to V7.1 August 2021 - Outsource non-core IT functions as needed - Cross-train all IT staff - Data breach process prevention and reporting development - Continued Cyber risk & Data Breach training for Managers and all staff - Continue the development of the Business Continuity Plan and in particular the IT sub-plan. - Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment - fixed term position to commence Sept 2021 - Integrated Services Staff assisting in processing purchase orders and invoices for annual licencing - Extension of 2 factor authentication as deemed necessary - Implement bank file verification software - Eftsure program - System penetration testing by independent consultant -Where possible, restrict external portal access to DSC IP address only - Implement Pro-map to assist with BCP process documentation. 	#431988
4	Loss of public confidence (majority of population) and credibility in Councillors, staff and organisation	Manager Governance	<ul style="list-style-type: none"> - Failure to work within budgets and to deliver on major projects and capital works - Failure to prepare adequately for natural disasters/events and to maintain an adequate business continuity plan - Inconsistent messages being delivered to public via media and other channels - Lack of transparency in decision making and inappropriate or ill-informed decisions - Statutory non-compliance - Lack of professional expertise - Lack of probity - Inappropriate disclosure of confidential information - Disunity amongst elected members - Failure to clearly articulate Council's long term vision and long term financial planning - Incorrect information on public facing institutional resources (e.g. website, social media streams) - Lack of understanding community needs and diversity - Lack of connection with Indigenous culture 	<ul style="list-style-type: none"> - Loss of staff - Low morale & lack of pride in staff and community - Jeopardising opportunities for funding - Rising level of complaints - Reactive management style - Loss of confidence and additional scrutiny from regulators 	3	4	High L3/C4	<ul style="list-style-type: none"> - Strong governance structures in place promoting open communication and a high level of trust across Council - Comprehensive project management and project reporting in place - Delivery of services in accordance with the Customer Service Charter - Rising level of complaints - A strong working relationship between senior officers, Mayor and Councillors - Become an employer of choice to attract highly skilled professionals - Maintain appropriate professional development for Councillors and staff - Proactive, transparent and timely communication with media and community - Development of an organisational culture of accountability - Actively promote Council's Procurement practices 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Continue to develop a skilled and experienced workforce that respects and values Douglas as a workplace of choice. - Ongoing development of a culture of openness, trust and accountability in which all staff are valued. - Ensure all aspects of administrative management and compliance are structured in accordance with statutory obligations, and appropriate delivery frameworks. - Develop and utilise the new five year Corporate Plan including Visions and Values - Provide opportunities for learning and professional development to staff and Councillors. - Encourage community critique and comment of all aspects of Council's functions and operations. - Reconciliation Plan 	#432035

Douglas Shire Council Corporate Risk Register

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
5	Inadequate compliance with WHS systems	Manager People & Community Services	<ul style="list-style-type: none"> - Non-compliance with WHS requirements - Lack of procedures - Lack of skills / training - Inadequate budget - Poor monitoring and review of systems - Lack of ownership of WHS responsibilities and development of a WHS responsible culture within the organisation - Lack of leadership / senior management support - Failure to provide a safe environment - Safety issues due to higher hazard environments e.g. swimming pools, remote work - High risk activities such as events 	<ul style="list-style-type: none"> - Workers compensation premiums increase - Financial loss - Increase workplace injury, illness, and death - Litigation - public injury or loss of life 	5	3	High L5/C3	<ul style="list-style-type: none"> - WHS Advisors to utilise resources available (e.g. WHS Reps) - WHS programme - Training - Audits including self assessments - Quarterly Action Plans (including relevant Tool Box Talks and hazard inspection) - Ensuring adherence to rectification action plans - Embedding a safe work culture in day to day operations - Promote the benefit of reporting of near miss incidents to prevent future incidents - Better utilisation of available data to inform decision making - Insurance for Senior Leaders 	3	3	High L3/C3	<ul style="list-style-type: none"> - Continued roll out Safeplan - Maintain enhanced WHS meeting structures - Maintenance of corporate induction program including safety component for all new staff - Continued safety training for all staff - Ongoing education of employee responsibilities to WHS - Monitoring and reviewing of incidents/progress of MAPs - Monthly reporting of WHS to WHS Committee (including Reps and Managers/GMs) - Rollout of electronic safety management system (Mango) - Establish close working relationship with JLT WHS Consultants - Educate Councillors on risk 	#432037
6	Failure to comply with statutory and legal organisational obligations and responsibilities	Manager Governance	<ul style="list-style-type: none"> - Lack of relevant experience - Cost shifting by the State in devolving functions to local government without adequate resources and training - Lack of appropriate consultation - Inadequate systems to capture and distribute information - The pace of change of legislation - High staff turnover in senior roles - Lack of understanding of what the statutory and legal organisational obligations and responsibilities are. (E.g. W&WW permit compliance for the environment and to community.) - public liability of DSC properties tenanted by individuals/clubs not on lease or permits 	<ul style="list-style-type: none"> - Financial exposure - Possible fines and breaches - Illegal action (State backlash) - Reputation and public image - insurance cost increase - legal risks to DSC and staff - ownership legalities 	4	4	High L4/C4	<ul style="list-style-type: none"> - Attendance at appropriate training, seminars and regional forums - Recruiting and retaining suitably qualified or experienced staff - Audits - internal & external - Legal or relevant professional opinions as required - Updates from LGAQ, LGMA or relevant state agencies - Continual review of organisational structure 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Ongoing review of Council policies - Ongoing maintenance of adopted delegations register - Continue to work with LGAQ, LGMA & FNQROC - Seek professional advice as appropriate regarding matters requiring statutory clarification - Compliance with all audit requirements - Adherence to statutory timelines - Staff and Councillors' training in legal risks 	#432038
7	Reduction in revenue raising capacity	Chief Executive Officer	<ul style="list-style-type: none"> - Economic downturn (eg failure of sugar cane industry and/or decline in tourism causing inability to afford rates) - Flow-on effects from economic downturn - Loss of Federal/State Grants - Loss of contract work (eg RMPC) - Ineffective acquittal of grant funding - Inappropriate financial decisions when determining revenue requirements - Loss of industries or other key economic drivers - Population and tourism decline - Climate change and adverse media statements during weather events - Insufficient resourcing to apply for funding 	<ul style="list-style-type: none"> - Financial implications/loss - Reduction in service levels - Reduction in capital works - Depletion of plant and equipment (assets) - Reduction in maintenance - Inability to maintain staffing positions 	3	2	Medium L3/C2	<ul style="list-style-type: none"> - Review Fees and Charges to be competitive with similar council's - Conduct networking and communication to preserve/develop relationships with stakeholders - Strong budget controls - High percentage of own-source revenue - Strong financial position provides financial buffer and time to adjust service levels - High quality internal controls - Strong relationship with other source income suppliers - Resources in Grants to attract more funding - Advocate for State and Federal funds for agricultural and tourism industries - Advocate and facilitate economic development - Robust rates model 	3	2	Medium L3/C2	<ul style="list-style-type: none"> - Maintain an equitable rating / charging strategy - Maximise any other appropriate revenue opportunities - Closely monitor budgets to ensure timely invoicing of all revenue is occurring (e.g. rates, fees and charges, grant/subsidy, progress claims etc.) - Develop systems for tracking and obtaining Developer Contributions - Obtain specialists' advices as required - Develop more revenue raising opportunities 	#432039

Douglas Shire Council Corporate Risk Register

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	HighL5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
8	Lack of capacity, skills or capabilities to meet emerging needs of organisation	Manager People & Community Services	<ul style="list-style-type: none"> - Lack of corporate knowledge due to turnover of staff - Ageing workforce - higher retirement rate - Lack of training and development - Inappropriate staff culture - Lack of succession planning - Uncompetitive remuneration - Shortage of skills within region - Inability to attract appropriately skilled and experienced staff - Staff fatigue during critical timeframes e.g. Carnivale - Loss of confidence by Council staff in the Vision 	<ul style="list-style-type: none"> - Failure to deliver operational requirements - Inability to meet service needs - Ineffective planning - Missed opportunities - Community backlash - Financial implications - Increased use of consultants - A greater pressure on capable people 	4	3	High L4/C3	<ul style="list-style-type: none"> - Commitment to training/professional development of staff - Competitive remuneration packages - Dedicated Human Resources and Training team - Opportunities for secondments within organisation - Opportunities for trainees and graduates - Transition to retirement program - Participation in networking groups e.g. FNQROC / Peak Services - Partner with LGAQ & LGMA 	3	2	Medium L3/C2	<ul style="list-style-type: none"> - Ongoing improvement of Organisational culture - Market Council as an employer of choice attracting candidates of a higher calibre - Development and implementation of a Douglas Certified Agreement - Long term planning (including succession planning) - Continue to budget for transition to retirement roles - Continue implementation of annual performance development reviews and annual review of position descriptions - Greater utilisation of online training opportunities - Continue to encourage multiskilling/cross training 	#432041
9	Failure to deliver projects	Manager Project Office	<ul style="list-style-type: none"> - Major disasters putting strain on resources - Weather events effecting Quality, Cost and Time project measures - Inadequate project management skills - Poor financial management (budget overspend) - Changing priorities (political change) - Loss of funding opportunities - Procurement process not followed - Available market skillset - Excessive commitments - No capacity to borrow - Regulatory environment - Lack of trained personnel to satisfactorily plan and model infrastructure networks (inability to deliver projects to plan and within budget and within the correct contractual framework) 	<ul style="list-style-type: none"> - Loss of contracts - Financial loss - Litigation - Reputation loss - Community backlash - Create operational backlog 	3	4	High L3/C4	<ul style="list-style-type: none"> - Project management systems and planning - Project management training - Dedicated resources in each group responsible for the delivery of projects - Contingency plans - Risk management plans - Use of existing corporate knowledge - Matching expectations to available resources - Regular progress reporting and reviews (financial and project). - Staged delivery (design, construct) appropriate to project complexity - Prudent financial management - Standardised FNQROC Procurement processes - PMO to manage high risk or complex projects. - Project planning documentation to be reviewed by qualified staff (Engineers) before release to public. - Maintaining Capital Tracking PCG - Maintain a Long Term Financial Plan 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Introduce project management systems - Procurement training - Maintain a detailed 10yr CAPEX model to inform staged delivery - Utilisation of Project Plan template - Project Gantt Charts enacted - Maintaining Asset Management Steering Committee to ensure sustainable long term financial management and prioritise projects for each financial year - Skills gap identification and ongoing training programs - Regular progress reporting and reviews (financial and project) - Completion of consolidated work order program - Councillor communication to inform on priorities and manage expectations - Translate the Local Government Infrastructure Plan into specific projects identified in the 10yr CAPEX model - Improve information management system - PMO to be adequately staffed to match workload. 	#432042
10	Failure to deliver essential services (water, transport, sewerage, waste)	Manager Water & Wastewater	<ul style="list-style-type: none"> - Major equipment failure - Weather event - cyclone, flood - Failure of external service provider (e.g. Ergon, Telstra) - Poor operational control - Lack of qualified and experienced staff (e.g. transition of aging workforce) - Insufficient qualified personnel to maintain delivery of these essential services - Changes to legislation and standards - Lack of planning - Asset management (maintenance and renewal) insufficient planning, preventative maintenance and lack of funds available. - Terrorist attack - Not understanding the customer's expectations regarding service standards - changes in legislative requirements with insufficient time to plan for the change - Council expands service provision into 'non traditional' areas or forced to take on management through higher government responsibility shifting - Disruption of services due to maintenance activities 	<ul style="list-style-type: none"> - Penalty, fines - Adverse publicity - Reputational damage - Health impact on residents - Financial loss - Political fallout - Environmental damage - Loss of asset 	3	4	High L3/C4	<ul style="list-style-type: none"> - Suitably qualified and trained staff - Business continuity plans - Back up power supply at critical installations - Counter disaster sub plans - Asset management plans linked to long term financial plans - Asset Management Plans reflect the service standards expected by the customer - Review core business obligations - Communication and collaboration with external providers - Agreed service standards and maintenance intervals - Regional agreements and alliances - Local Government Infrastructure Plan - Planning through long term modelling, integrated infrastructure and land use planning - Appropriate contract management - Implement appropriate security measures to protect essential assets - Maintain the Emergency Water Action Group - Managers sit as members of LDMG - Staff trained in reporting through disaster management system - Development of appropriate media releases 	2	4	Medium L2/C4	<ul style="list-style-type: none"> - Attracting and retaining qualified staff - Review service standards, legislation and maintenance intervals which will inform LGIP, modelling and integrated infrastructure and land use planning - Asset Management Steering Committee to oversee asset management requirements and priorities - Identify disaster mitigation measures and regularly exercise - Multiskilling the workforce through cross training and team rotation - Conduct security risk assessment and audit - Engage with customers to understand service expectations - Complete robust 'whole of life' business cases where new or expanded service delivery is expected to help inform decision makers - Asset renewal funding linked to 10 year CAPEX and long term financial planning - Implement effective asset management software to manage and track assets 	#432043

Douglas Shire Council Corporate Risk Register

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
11	Political risks	Chief Executive Officer	<ul style="list-style-type: none"> - Councillors breaching the Councillors' Code of Conduct - Councillors engaging in misconduct or inappropriate conduct - Councillors actively undermining the work of the administration - Councillors acting outside their area of responsibility - Councillors inappropriately engaging in operational matters - CEO or officers breaching the Code of Conduct - CEO or officers acting unlawfully - CEO or officers failing to act in accordance with Council's direction - Increased regulatory environment - Social media environment - Change of Council due to Local Government elections leads to lack of knowledge 	<ul style="list-style-type: none"> - Poor and inappropriate decision making - Loss of staff and/or loss of morale - Service interruption - Loss of credibility/confidence by community - Litigation - Inefficient utilisation of resources 	4	4	High L4/C4	<ul style="list-style-type: none"> - Strong leadership - Ongoing training – Councillors and officers - Transparent governance processes - Clear policies and procedures - Adherence to Councillor/Staff Interaction Protocol - Open and frank communication between Councillors and CEO, and in Council workshops - Frequent provision of comprehensive information to the community. - PID and complaint procedures are reviewed and in place 	3	3	High L3/C3	<ul style="list-style-type: none"> - Management of Councillor, CEO and officer conduct strictly in accordance with legislation and adopted policies - Identification and implementation of required professional development training - Provision of a broad range of unbiased and factual information to Councillors and the community to ensure all are well informed - Provision of information to Mayor and Councillors to enable appropriate interaction with elected representatives at Local, Regional, State and Federal level - Careful consideration of community issues and, in conjunction with Council, develop workable plans for resolution of same. - Councillor induction and workshops maintained - Review and update of Public Interest Disclosure (PID) - Complaints Policy - Five Year Communications Strategy 	#432044
12	Failure to undertake lobbying and advocacy	Manager People & Community Services	<ul style="list-style-type: none"> - Council lacks ongoing relationship with stakeholders - Failure to understand and identify appropriate stakeholders and community needs - Unwillingness to engage and form necessary relationships - Lack of skills / training - Lack of planning - Poor relationships with state and federal members of parliament 	<ul style="list-style-type: none"> - Missed opportunities - Failure to represent community adequately 	2	3	Medium L2/C3	<ul style="list-style-type: none"> - Identification of relevant current and proposed Regional, State and Commonwealth policies and responsible agencies and potential impacts on Council's strategic planning and operational initiatives - Identification of current relevant Regional, State and Federal issues and responsible Ministers and officers - Close communication with Mayor and Council to determine community priorities and issues - Presentation of reports to Council detailing options including advocacy and resources required - Regular participation in Regional organisations and active membership in relevant associations (FNQROC, LGMA, LGAQ, Technical networks and committees - Development of a sound reputation through participation in State and Commonwealth Government Inquiries 	1	2	Low L1/C2	<ul style="list-style-type: none"> - Develop an organisational culture of strategic awareness - - Support and encourage officer initiatives within an identified advocacy framework - Identify scheduled agency and regional meeting dates and ensure officer representation - Ensure ongoing close communication between Mayor and CEO regarding current policy and political issues - Prepare Mayoral briefing notes identifying key issues - Monitor feedback from representative organisations - Monitor and report feedback from Elected representatives and others. - Train relevant officers in advocacy and community engagement 	#432045
13	Absence of essential records (contractual, required by legislation, corporate knowledge)	Manager Governance	<ul style="list-style-type: none"> - Poor staff knowledge of requirements - Lack of consistent approach to record management (including records held by Councillors) - Records held in stand alone systems - Potential damage due to inappropriate physical storage - Inadequate training of staff - Inadequate policies and procedures regarding record filing and retention - Inappropriate ICT platform leading to inconsistent filing of records - Complex and unwieldy DMS will lead to staff to make their own procedures to get the job done 	<ul style="list-style-type: none"> - Inability to meet legislative requirements - Public image - Potential financial consequences - Potential litigation, fines - Contract litigation - loss of corporate knowledge - Time loss due to operating in deficient DMS environment 	4	4	High L4/C4	<ul style="list-style-type: none"> - Top down approach to correct record management practices - Review of record keeping practices - Review of record storage and back ups - Commitment and ongoing training of staff and Councillors - Increase user acceptance of EDRMS by structural improvements and a more flexible approach - Effective Councillor and staff Induction Programs 	3	3	High L3/C3	<ul style="list-style-type: none"> - Develop and adopt a more user friendly EDRMS - Review current record keeping processes including stand alone systems - Introduce more effective technology/systems making data capture easier and where possible automatic - Streamline processes in records acceptance (e.g. central email addresses) - Review current storage arrangements and retention - Progress archiving of records - Implement staff and Councillor training in record keeping legislation and Council's EDRMS 	#432046

Douglas Shire Council Corporate Risk Register

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	5	Medium L5/C1	High L5/C2	High L5/C3	Extreme L5/C4	Extreme L5/C5
Likely	4	Medium L4/C1	Medium L4/C2	High L4/C3	High L4/C4	Extreme L4/C5
Possible	3	Low L3/C1	Medium L3/C2	High L3/C3	High L3/C4	High L3/C5
Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

No.	Risk Description	Risk Owner	Source of Risk	Consequences	Likelihood	Conseq. Level	Inherent Risk Rating	Existing Risk Treatments	Likelihood	Conseq. Level	Residual Risk Rating	Improvements (What is the Plan?)	Risk Treatment Plan' Ref Number
14	Fraud and corruption	Chief Financial Officer	<ul style="list-style-type: none"> - Lack of strategic focus - Lack of or poor internal control measures - Inadequate management focus on internal controls - Organisational culture/staff attitudes - Outdated cultural norms - Enabling/modelling poor ethical behaviour - Confidentiality standards not maintained - Inadequate understanding of conflict of interest/material personal interest - Recruitment – lack of relevant checks e.g. police, refs - Inappropriate staffing/management - Ineffective policies and procedures - Poorly managed delegations - Lack of asset management systems - Inadequate training of staff 	<ul style="list-style-type: none"> - Financial loss - Further deterioration of organisational culture - Reputational damage 	4	4	High L4/C4	<ul style="list-style-type: none"> - Strong commitment demonstrated by the Management Team - Councillors promoting ethical behaviour to set the tone - Strong internal controls and documented procedures - Appropriate segregation of duties and delegations - Internal audit program with initial focus on high risk areas - External audit program - Mandatory Staff training and regular awareness sessions - Investigation of allegations undertaken by competent staff and/or industry professionals as required & followed through to disciplinary proceedings if required - Robust corporate induction program - Implement actions from Fraud and Corruption Control Plan - Audit Committee now up and running 2021 - Conflict of Interest (Staff) Policy adopted June 2021 & register maintained 	3	4	High L3/C4	<ul style="list-style-type: none"> - Maintain and review Fraud and Corruption Control Plan - Continual review and enhancement of internal controls - A relevant training program implemented – mandatory at induction and annually - Ongoing assistance through internal audit plans to enhance fraud and corruption controls/training - Audit Committee to do ongoing risk evaluations - Maintain Conflict of Interest (Staff) Policy, Process & Register - Implement an Asset Management System - commencing set up 21/22 year. - Engaging a GIS officer 21/22 year - Implement appropriate policies e.g. Motor Vehicle Use Policy (adopted 20/21) Use of Mobile Devices (drafted 20/21, to be finalised and implemented), Working from Home ICT Equipment Policy (to be drafted). - Update delegation form & align with Authority process - Review procurement policy & sole supplier register - Document processes using Pro-map and analyse for gaps - Rolling review of staff system access - Refine ABA file location security & access - System penetration testing by independent consultant - Where possible, restrict external portal access to DSC IP address only - Data breach process prevention and reporting development - Continued Cyber risk & Data Breach training for Managers and all staff - Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment - fixed term position to commence Sept 2021 - Extension of 2 factor authentication as deemed necessary - Implement bank file verification software - Eftsure program - System penetration testing by independent consultant - Where possible, restrict external portal access to DSC IP address only 	#767305

Likelihood Table

Description	Definition - Likelihood of Occurrence
Rare (L1)	Event may occur once in every 10+ years
Unlikely (L2)	Event may occur once in every 5 - 10 years
Possible (L3)	Event may occur once in every 2 - 5 years
Likely (L4)	Event may occur once in every 1 - 2 years
Almost Certain (L5)	Event may occur within one year

Consequence Table

Description	Qualitative Definition - Consequence
Insignificant (C1)	An event, where the impact can be absorbed; no injuries; low financial loss
Minor (C2)	An event, the consequences of which can be absorbed but management effort is required to minimise the impact; first aid treatment; low-medium financial loss
Moderate (C3)	A significant event, which can be managed under normal circumstances; medical treatment; medium financial loss
Major (C4)	A critical loss, which, with proper management can be continued; extensive injuries; loss of service provision; major financial loss
Catastrophic (C5)	A disaster, which could lead to the collapse of the organisation; death; huge financial loss

Risk Assessment Matrix

Likelihood	Rating	Consequence				
		1	2	3	4	5
		Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	5	Medium L3/C1	High L3/C2	High L3/C3	Extreme L3/C4	Extreme L3/C5
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Unlikely	2	Low L2/C1	Low L2/C2	Medium L2/C3	Medium L2/C4	High L2/C5
Rare	1	Low L1/C1	Low L1/C2	Medium L1/C3	Medium L1/C4	High L1/C5

Consequence Matrix

Consequence	Rating	Financial (Revenue & Costs)	Information Technology & Data	Infrastructure/ Assets/ Property	Environment	Operational - Business Continuity	Strategic / Corporate Governance - Reputation - Political	Workplace Health & Safety	Legal Compliance, Regulatory & Liability
Catastrophic	5	Huge financial loss (e.g. >20% of revenue or budget)	Extensive loss of/damage to assets and/or infrastructure. Permanent loss of data. Widespread disruption to the business.	Widespread substantial/ permanent damage to assets and/or infrastructure.	Long term large scale damage to habitat or environment. Serious/ repeated breach of legislation/ licence conditions. Cancellation of licence and/or prosecution.	The continuing failure of Council to deliver essential services. The removal of key revenue generation.	Loss of State Government support with removal of the Council. National media exposure. Loss of power and influence restricting decision making and capabilities.	Fatality or significant irreversible disability.	Extensive breach involving multiple individuals. Extensive fines and litigation with possible class action. DCL review or Administrator appointed.
Major	4	Major financial loss (e.g. 5% to 10% of revenue or budget).	High risk of loss/corruption of data; significant catch-up will be required. Business continuity plans should be implemented.	Significant/ permanent damage to assets and/or infrastructure	Severe impact requiring remedial action and review of processes to prevent re-occurrence. Penalties and/or directions or compliance order incurred.	Widespread failure to deliver several major strategic objectives and service plans. Long term failure of Council causing lengthy service interruption.	State media and public concern/ exposure with adverse attention and long term loss of support from Council residents. Adverse impact and intervention by State Government.	Extensive injuries. Lost time of more than 4 working days.	Major breach with possible fines or litigation. DCL or Administrator may be involved. Critical failure of internal controls, may have significant and major financial impact.
Moderate	3	High financial loss (e.g. 2% to 5% of revenue or budget)	Moderate to high loss of IT. Some data may be permanently lost. Workarounds may be required.	Moderate to high damage requiring specialist contract or replace.	Moderate impact on the environment; no long term or irreversible damage. May incur cautionary notice or infringement notice.	Failure to deliver minor strategic objectives and service plans. Temporary and recoverable failure of Council causing intermittent service interruption for a week.	Significant state wide concern/ exposure and short to mid term loss of support from Council residents. Adverse impact and intervention by another local government and LGAQ.	Medical treatment. Lost time of up to 4 working days.	Serious breach involving statutory authorities or investigation. Prosecution possible with significant financial impact. Possible DCL involvement. Moderate impact of legislation/ regulations.
Minor	2	Minor financial loss (e.g. 0.5% to 2% of revenue or budget).	Minor loss/damage to IT and communications. Some data catch-up may be required.	Minor loss/ damage. Some repairs may be required.	Minor localised impact one-off situation easily remedied.	Temporary and recoverable failure of Council causing intermittent service interruption for several days.	Minor local community concern manageable through good public relations. Adverse impact by another local government.	First aid treatment. No lost time.	Minor breach with no fine or litigation. Contained non-compliance or breach with short term significance with minor impact. Some impact on normal operations.
Insignificant	1	Low financial loss (e.g. <0.5% of revenue or budget)	Negligible loss or damage to IT hardware and communications. No loss of data.	Negligible damage to or loss of assets.	Minor breach of environmental policy/ practices. Negligible impact on the environment.	Negligible impact of Council; brief service interruption for several hours to a day.	Transient matter, e.g. Customer complaints resolved in day to day management. Negligible impact from another local government.	No injury.	Isolated non-compliance or breach. Minimal failure managed by normal operations. Negligible impact from another local government.

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
1		Potential for ineffective financial management
Accountable Officer	Chief Financial Officer	

Date	Jan 2014	Date	Mar 2015	Feb 2016	Mar 2017	Jun 2018	Jun 2019
Likelihood	4 Likely	Likelihood	3 Possible	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely
Conseq. Level	4 Major	Conseq. Level	3 Moderate	3 Moderate	3 Moderate	3 Moderate	3 Moderate
Inherent Risk Rating	High	Residual Risk Rating	High	Medium	Medium	Medium	Medium
Date	Jun 2020	Jun 2021					
Likelihood	2 Unlikely	2 Unlikely					
Conseq. Level	3 Moderate	3 Moderate					
Inherent Risk Rating	Medium	Medium					

Source of Risk: <i>(How might the risk arise?)</i>	<ul style="list-style-type: none"> - Lack of strategic planning - Inappropriate staffing/management- Failure to monitor forward estimates / life-cycle costs / long-term financial sustainability - Lack of asset management strategies/systems - Poor Budget control - Councillor decision-making - Poor internal controls - Poorly managed financial delegations - Under insurance - Lack of asset management strategies/systems - Delays in budget adoption due to Council elections
Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i>	<ul style="list-style-type: none"> - Regular budget monitoring and reviews as required - Monthly Reporting - 10 year financial modelling - Audit (internal / external) - Suitably qualified professional staff - Asset management - Adherence to all financial policies - Financial system in place - Separation of duties - Documented internal controls and reconciliation processes - Maintenance of Audit Matrix - Enhanced organisation wide communication - Accumulated historical data - Ongoing refinement of business processes - Availing of professional development and applicable networking opportunities - Allocate sufficient funding to allow expert consultancy as required

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	<ul style="list-style-type: none"> - Appropriate delegations, reviewed and updated regularly - Appropriately skilled and qualified staff - Workforce planning - Working with the Audit Committee -
Performance Measure: <i>(How will you know the risk treatment is working?)</i>	<ul style="list-style-type: none"> - Measurement of actuals against budget and forward financial forecast - Monitoring by ELT and Council - Feedback from Audits - Asset condition assessments and asset revaluations - Asset Management Plans - Rectification of issues / implementation of changes identified in Audit Matrix - Achievement of un-modified audits from the QAO - Achievement of legislative financial sustainability ratios
What is the plan?	<ul style="list-style-type: none"> - Action audit matrix items as soon as practical - Ongoing documentation of all internal controls and reconciliation processes - Ongoing refinement of 10-year financial modelling - Reliance on available historical data and trends to inform future budget forecasting - Develop effective Councillor and staff Induction Programs - Implement an Asset Management System - Engage a GIS Officer - Align the long term financial plan, 10 year capital works plan and Asset Management Plans - Implement the Project Decision Making Framework
Resources Required: <i>(What physical, human or financial resources required?)</i>	<ul style="list-style-type: none"> - At times of high workload such as budget preparation and end of financial year additional external resources may be required - Ongoing training to maintain and supplement skills - Consultants as required – legal, accounting - Asset Management System - GIS Officer
Associated Documents: <i>(InfoExpert Doc ID)</i>	<ul style="list-style-type: none"> - Financial Management (Sustainability) Guideline 2013 - Asset and Service Management General Policy - Financial Policies - Fraud General Policy
Timeline:	<ul style="list-style-type: none"> - This will be an ongoing process until such time that Council achieves required benchmark and maintains these benchmarks, for example - the legislated financial sustainability ratios.

Date reviewed by MT:	10 January 2020
Matters arising from review: Audit Committee to be established as per Operational Plan 2019-20 Monthly Budget Reviews presented at Management Team Strategic Meetings. Staff induction to include ‘financial delegation responsibilities’.	
Date reviewed by MT:	6 August 2021
Matters arising from review: Audit Committee now in place. Asset Management System to be procured and implemented, per operational and capital works plans. GIS Officer to be engaged. Project decision making framework to be implemented. Inductions need to be refined. Long term	

Doc ID 431977

plans to be aligned.	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
2		Inability to effectively respond to and recover from disaster events
Accountable Officer	Manager-Environment & Planning	

Date	Jan2014	Date	Mar 2015	Mar 2016	Sept 2017	Jun 2018	Jun-2019
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	2 Minor
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	4 Major	4 Major
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	Medium

<p>Source of Risk: <i>(How might the risk arise?)</i></p>	<ul style="list-style-type: none"> -Planning and preparation not adequately undertaken -Poor communication to community and within Council -Community not aware of risk -lack of community resilience -Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone / flood / fire-proof -Risk assessment of hazards not undertaken -Damage to Disaster Recovery Centre (IT infrastructure), which is not cyclone / flood / fire-proof -Major / prolonged loss of power and telecommunications- Lack of trained staff -insufficient staff and resources -staff fatigue -Failure to plan and prepare -Failure to adequately identify vulnerable populations -Out of date or inadequate Disaster plans and sub-plans -Cyclone shelter and evacuation centres not prepared or adequately identified -lack of appropriate equipment or inadequate maintenance -Insufficient or incorrect data intelligence -Demands from other agencies detracts from tasks at hand -Media sensationalism
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> -Local Disaster Management Group -MOU with other NQ Councils. -Preparation and annual reviews of Disaster Management Plan and sub-plans -Trained personnel including backups for each position -Appointment of dedicated Disaster Management Officer -Dedicated resources including Council Incident Management Team and SES -Disaster Coordination Centre appropriately set-up and resourced -Disaster management software (Guardian), Disaster Dashboard development, multiple communication mediums

	<ul style="list-style-type: none"> for communication with community – Infrastructure to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures – Programs to build community resilience, planning and preparation – Alternative communication systems (two-way radio system, sat. phones, sat. texting) – Staff trained in the Qld Reconstruction Authority methodologies – Exercising of disaster plans and building relationships with agencies – Community engagement and resilience development – Collaboration with other agencies – Local Disaster Management Officer Network – Get Ready Program for resilience training
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> – Exercising of plans and sub-plans – IGEM annual review of Disaster management Plans – IGEM Reviews of significant disaster events – Community surveys – Debriefs and reviews following events
<p>What is the plan?</p>	<ul style="list-style-type: none"> – Documentation of plans (Disaster management & Sub-plans), exercising of the plans and review and update of the plans – Continued recruitment activity for IMT and development of the IMT through training – LDMG selection and training – Employment of dedicated Disaster Management Officer – Councillor education – Ongoing risk assessment and implementation of mitigation measures both Capital (e.g. causeway program) and operational – Development of communication systems including the Disaster Dashboard, text and email capacity – Improvements through cloud-based disaster software (Guardian) – Undertaking reviews of vulnerable populations and the impacts of climate change on existing studies/risks – Disaster Coordination Centre appropriately set up and resourced – Continued development of multiple communication mediums for communication with community – Program of infrastructure development to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures – Programs to build community resilience, planning and preparation – Alternative communication systems within Council (two-way radio system, sat. phones, sat. texting) – Staff trained in the Qld Reconstruction Authority methodologies – Exercising of disaster plans and building relationships with agencies – Development and use of forecasting system (including ne BOM methodologies)

Resources Required: <i>(What physical, human or financial resources required?)</i>	-Capital and operational budgets -Adequate trained staff -Prioritisation/support from senior management and Council -External consultants
Associated Documents: <i>(InfoExpert Doc ID)</i>	Disaster Management Plan and sub-plans. MOU with other Councils Incident Management Team position descriptions Training of LDMG members and staff
Timeline:	

Matters arising from review: <u>DMO appointment</u> <u>Process/trigger to activate LDMG eg WW emergency/disaster</u> <u>Business Continuity Plan – all departments to update</u>		
Date reviewed by MT:	10 January 2020	
Matters arising from review:		
Date reviewed by MT:		
Matters arising from review:		
Date reviewed by MT:		
Matters arising from review:		
Date reviewed by MT:		
Risk Number	Category	Description
2		Inability to effectively prepare for, respond to and recover from disaster events
Accountable Officer	Manager Environment & Planning	

Date	Jan2014	Date	Mar 2015	Mar 2016	Sept 2017	Jun 2018	Jun 2019	??? 2021
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	2 Minor	
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	4 Major	4 Major	
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	Medium	

Source of Risk: <i>(How might the risk arise?)</i>	<ul style="list-style-type: none"> • Pandemic Response and Recovery: Planning and preparation of disaster related procedures were postponed due to COVID-19 workload. • Lack of visibility: Of the LDMG and Incident Management Team in the community. • Equipped Local Disaster Coordination Centre: Absence of standalone, well equipped and fit for purpose training and Disaster Coordination Centre. • Skills and inadequate staffing: Lack of adequate skills to
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Doc ID 431983

	<p>operate telecommunications and maintain flood assets.</p> <ul style="list-style-type: none"> Excessive commitments: Demands from other agencies, state departments and internal stakeholders detracts from core business. Lack of community resilience and ownership of Douglas Local Disaster Management Plan. Insufficient or incorrect data intelligence. Media sensationalism.
<p>Risk Treatment: (What can be done to avoid the risk, control, transfer or finance the risk?)</p>	<ul style="list-style-type: none"> Appointment of dedicated and permanent Disaster Management Officer in July 2019. Local Disaster Management Group meetings and relevant sub-groups activated per event e.g., LDMG Pandemic sub-group during COVID-19. MOU updated and renewed with other NQ Region Councils: currently valid for 2021 to 2026, which includes: Cassowary Coast Regional Council; Cairns Regional Council; Tablelands Regional Council; Hinchinbrook Shire Council; Townsville City Council; Burdekin Shire Council; Mareeba Shire Council; Douglas Shire Council; Charters Towers Regional Council; Mackay Shire Council; and Whitsundays Shire Council. Actively maintaining an afterhours/availability roster for Easter/Christmas periods. Annual review and moving to user-friendly checklists (paper light system) of Disaster Management Plan and sub-plans. Improved communication to community and within Council via engagement sessions, CLLR FYI, via digital Douglas Disaster Noticeboards installed from Port Douglas to Cape Tribulation and establishment of the Douglas Disaster Facebook page. Investment in Disaster incident management software (Guardian IMS), Disaster Dashboard development (such as bridge load limit tabs, a subscription button for real-time emergency notifications and a link to the latest COVID-19 information). Increased community engagement such as awareness raising with PDNC, Douglas Shire Aged Care and stall holders at markets. Damage to Disaster Recovery Centre (IT infrastructure), addressed by the procurement of a Pelicase and radio comms audit. Increased training (QDMA, masterclass, DRFA, Dashboard and teambuilding) with the IMT to address their training needs and build their confidence. Concept design drawings and construction estimate completed for a multi-purpose training and disaster coordination centre. Providing regular reporting to relevant stakeholders. Procurement of mobile generator and training to Daintree Village RFS for operation in case of power failure.

	<ul style="list-style-type: none"> • Training with the Cyclone Shelter Management Team has been more robust over the last two years and shelter signage has been installed in Port Douglas. Shelter Manager and DMO present with Cyclone Shelter inspections and improvements. • Building Register for evacuation centres updated on an annual basis. • Five flood cameras, six rain/rivel level gauges and seven automatic road signs installed and are monitored to support LDMG decision making and community intelligence. • Active engagement on monthly basis with Far North Queensland peers via MS Teams and ad hoc via DMO Basecamp network with 119 members. • Implementation of technological innovation and establishment of Remote Pilot Aviation Systems (RPAS) committee, drone policy and publishing drone field guides. • Support to numerous agencies and departments in facilitating workshops ranging from pastoral care to grant writing. • Proactively managing Council's support of local State Emergency Service (SES) groups including recruitment of suitable leaders and volunteers; obtaining grants to replace older equipment. • Trained personnel including backups for each position. • Additional Media staff employed. Active involvement of Media Staff as Core Members of the LDMG. • Active Social media information generated for disaster events.
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> • Exercising of plans and sub-plans: functional exercise and desktop exercises e.g. desktop exercise held in 2019, various famil at the Cyclone Shelter and functional Exercise Zulu held in 2021. • Annual IGEM review of Disaster management Plans. • IGEM Reviews of significant disaster events. • Surveys: with the LDMG and the community (e.g. during 40 Days 40 Ways). • Debriefs and reviews following events. • Performance review of DMO. • Data analysis of media Dashboards/Analytics
<p>What is the plan?</p>	<ul style="list-style-type: none"> • Documentation of plans (Disaster management & Sub-plans), exercising of the plans (e.g. during Exercise Zulu Ozcare Port Douglas's Emergency Management Plan was utilised) and review and update of the plans. • Annual Plan of activities compiled, monitored, and implemented by the DMO. New LDMP process for generating relevant, succinct and user-friendly plans. • Annual recruitment activity for IMT and development of the IMT through training: improvements include active recruitment by Cyclone Shelter Manager for Cyclone

	<p>Shelter Officer positions.</p> <ul style="list-style-type: none"> • LDMG core member and key advisor selection and training. • Development of communication systems including the cloud-based disaster software (Guardian), Disaster Dashboard, text, facebook and email capacity. • Disaster Coordination Centre appropriately set up and during Exercise Zulu and missed opportunities were identified that will be addressed by November 2021. • Infrastructure development and maintenance program to support Council and community intelligence such as flood cameras, river height and rainfall gauges, automatic road closures. • Programs to build community resilience, planning and preparation planned to be funded from July 2021 to December 2023 by the North Queensland Monsoon Trough Disaster Recovery funding. • Appointment of Resilience Officer for 30-month term from July 2021 • Councillor education • Ongoing risk assessment and implementation of mitigation measures both Capital (e.g. causeway program) and operational • Undertaking reviews of vulnerable populations and the impacts of climate change on existing studies/risks. • Alternative communication systems within Council (two way radio system, sat. phones, sat. texting). • Exercising of disaster plans and building relationships with agencies. • Development and use of forecasting system (including ne BOM methodologies)
<p>Resources Required: <i>(What physical, human or financial resources required?)</i></p>	<ul style="list-style-type: none"> • Ongoing maintenance costs, capital and operational budgets should be addressed by a disaster-levy. This is currently being investigated by the DMO. • Adequate number of trained staff, who receives the support from their managers/team leaders to participate in required training and meetings. • Prioritisation/support from senior management and Council. • External training and exercise facilitation. • Multi-purpose training and Local Disaster Coordination Centre. • External consultants.
<p>Associated Documents: <i>(InfoExpert Doc ID)</i></p>	<ul style="list-style-type: none"> • Disaster Management Plan and sub-plans. • MOU with other Councils. • MOU with external agencies (DTMR; SES; Red Cross; GIVIT; etc.). • Incident Management Team position descriptions. • Training of LDMG members and staff.
<p>Timeline:</p>	

Matters arising from review:

<ul style="list-style-type: none"> • Recruitment and appointment of Disaster Resilience Officer to assist DMO in implementing Resilience Strategy, Community Based Risk Assessment workshops and implementing the North Queensland Monsoon Trough Recovery Grant. • Disaster-specific levy to be pursued and implemented as part of the rates. • Process/trigger to activate LDMG eg WW emergency/disaster. • Business Continuity Plan – all departments to review their BCPs from March 2020. • Business Continuity Framework – Manager Governance to complete and monitor. 	
Date reviewed by MT:	10 January 2020
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
3		Failure of Corporate Business Systems
Accountable Officer	Chief Financial Officer	

Date	Jan 2014	Date	Mar 2015	Feb 2016	Mar 2017	Jun 2018	Jun 2019
Likelihood	3 Possible	Likelihood	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely
Conseq. Level	4 Major	Conseq. Level	3 Moderate	3 Moderate	3 Moderate	3 Moderate	3 Moderate
Inherent Risk Rating	High	Residual Risk Rating	Medium	Medium	Medium	Medium	Medium
Date	Jun 2020	Jun 2021					
Likelihood	2 Unlikely	2 Unlikely					
Conseq. Level	3 Moderate	3 Moderate					
Inherent Risk Rating	Medium	Medium					

Source of Risk: (How might the risk arise?)	<ul style="list-style-type: none"> - Major / prolonged loss of telecommunications - Updating/cross over to new networks causing disruption to connections e.g. NBN, 5G - Cyclone / flood / fire damage to critical IT infrastructure - Old / unpatched software & infrastructure with known or unknown security vulnerabilities - Security of data internally - Failure of businesses software or inadequate software for Council’s growth - Decentralised software not aligned with current systems - Cyber attack to network & or corruption of data due to malware - Reduced capacity to afford and implement hardware / software upgrades - Inadequate system’s security / poor access controls & approval practises - The organisation’s IT environment grows to exceed the capacity of current IT resources to deliver and maintain - Lack of trained staff across the organisation -Inadequate/untested Business Continuity Plan -Audit logs on critical IT systems and processes not maintained - Pace of change in computer (hardware / software) technology -Licences and permits not maintained -Institutional IT system configurations, communication and data flows not documented - IT assets and systems not prioritised based on their classification, criticality and institutional value
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	<ul style="list-style-type: none"> -Critical data breach -Failure to ensure strategic direction for IT operations including relevant stakeholders -Inadequate policies and procedures -Insufficient IT staffing -Malicious employee attack on data Malicious employee access portals using private email login
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> - - Maintenance of system backups (on & off site) - Standby generator - Budgeting for routine maintenance, disaster recovery testing as well a upgrades, including any external assistance - Maintain high levels of System Security and access approval procedures. - Document and test business continuity processes - Frequent notification security risks provided by State Government - Up skilling of all staff in IT. - Highly skilled IT team with contemporary knowledge - Ensuring all approved IT activities are within the capacity of current IT resources to deliver - Ensure there is capacity to operate and maintain new services as part of the ICT governance approval process for new services. - Regular meetings of the IT Steering group to monitor risks & progress to plan of routine maintenance & governance activities -Various software preventing introduction of any program not whitelisted -2 Factor identification implemented for off-site entry to Council platforms -Accounts Payable email address blocked to all non-whitelisted parties -Offsite remote connectivity for use in emergency/pandemic - Extensive Cyber Risk training for all staff
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> - Replacement of hardware in line with SAMPs - Infrastructure components firmware is regularly patched and security patches are applied as needed / appropriate - Software / Applications are appropriately licensed and the versions in use are supported by the vendor - Back-up confirmation reports from our managed services provider - Periodic testing of Backup generator - IT Maintenance & Periodic Test / Health Check reports on infrastructure components and backups - Minutes of IT Steering Group, regular updates to risk register and other ICT governance documents - System works according to specifications - Staff satisfaction, staff survey on IT performance - Detailed ICT budget documentation - Internal & External Audits

	<ul style="list-style-type: none"> - Audit Committee risk reviews - Reports of attempted cyber breaches by consultant firms, secured by preventative systems - Continued work offsite to test system access and controls - Phishing exercises to Council staff
What is the plan?	<ul style="list-style-type: none"> - Continue to operationalise the ICT Governance framework - Ensure the IT budget, work plan & resources is sufficient to maintain and operate the environment to meet the performance measures above - Establish a hot disaster recovery environment for core systems - Create a duplicate 'cloud' environment for business continuity plan - Develop a Telephone system strategy for upgrade and offsite mobile cut across & soft phone systems to improve connectivity and business continuity - Continue the implementation / upgrade of approved Civica software modules – upgrade to V7.1 August 2021 - Outsource non-core IT functions as needed - Cross-train all IT staff - Data Breach process prevention and reporting development - Continued Cyber risk & Data Breach training for Managers & all staff - Continue the development of the Business Continuity Plan and in particular the IT sub-plan. - Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment – fixed term position to commence Sept 2021 - Integrated Services staff assisting in processing purchase orders and invoices for annual licencing. - Extension of 2 factor authentication as deemed necessary. - Implement bank file verification software – Eftsure program - System penetration testing by independent consultant - Where possible restrict external portal access to DSC IP address only.
Resources Required: <i>(What physical, human or financial resources required?)</i>	<ul style="list-style-type: none"> - External IT service provider - Budget to design, build and test a hot disaster recovery environment to meet the BCP objectives - Management oversight and support to meet the stated objectives
Associated Documents: <i>(InfoExpert Doc ID)</i>	
Timeline:	Ongoing

Matters arising from review:	
Date reviewed by MT:	6 August 2021
Matters arising from review: Extensive ICT Strategy work to be done including documenting cyber strategy. Implement Pro-map to assist with BCP process documentation. Cloud duplicate back-up	

Doc ID 431988

environment to be finalised. Telephone system strategy to be designed. Civica upgrade to V7.1 due to go live 2 Sep 2021. Continue Cyber risk prevention measures & report to Audit Committee. Engage fixed term ICT position. Implement Eftsure AP system & extend 2 factor authentication.	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
4		Loss of public confidence (majority of population) and credibility in councillors, staff and organisation
Accountable Officer	Management Team	

Date	Jan 2014	Date	Jan 2015	Mar 2016	Jun 2018	Jun 2019	Feb 2020
Likelihood	3 Possible	Likelihood	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely	<u>4</u> <u>Likely</u>
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	3 Moderate	<u>4</u> <u>Major</u>
Inherent Risk Rating	High	Residual Risk Rating	Medium	Medium	Medium	Medium	<u>High</u>

Source of Risk: (How might the risk arise?)	<ul style="list-style-type: none"> - <u>Political interference with administration and operational matters</u> - <u>Lack of resources in organisation to deliver on projects and core business</u> - <u>Media messaging becoming too political, with no operational input</u> - Failure to work within budgets and to deliver on major projects and capital works - Failure to prepare adequately for natural disasters/events and to maintain an adequate business continuity plan - Inconsistent messages being delivered to public via media and other channels - Lack of transparency in decision making and inappropriate or ill-informed decisions - Statutory non-compliance - Lack of professional expertise - Lack of probity, <u>equity and transparency, including lack of staff and Councillors following policies and legislation</u> - Inappropriate disclosure of confidential information - Disunity amongst elected members - Failure to clearly articulate Council's long term vision and long term financial planning - Incorrect information on public facing institutional resources (e.g. website, social media streams) - Lack of understanding community needs and diversity - Lack of connection with Indigenous culture - <u>Political interference with operational and staffing matters</u> - <u>Non-compliance of Local Government Act or Regulations</u>
Risk Treatment: (What can be done to avoid the risk, control, transfer or finance the risk?)	<ul style="list-style-type: none"> - Strong governance structures in place promoting open communication and a high level of trust across Council - Comprehensive project management and project reporting in place - Delivery of services in accordance with the Customer Service Charter

Doc ID 432035

	<ul style="list-style-type: none"> - A strong working relationship between senior officers, Mayor and Councillors - Become an employer of choice to attract highly skilled professionals - Maintain appropriate professional development for Councillors and staff - Proactive, transparent and timely communication with media and community - Development of an organisational culture of accountability - <u>Actively promote Council's Procurement practices</u> - <u>Appropriate interaction with staff and compliance with not directing staff except CEO</u> - <u>Council's enhanced Website</u> - <u>Adequate resourced Council</u>
<p>Performance Measure: (How will you know the risk treatment is working?)</p>	<ul style="list-style-type: none"> - <u>Nil Crime and Corruption Commission Complaints substantiated</u> - Regular reporting on statutory compliance - Financial management in accordance with all relevant accounting standards and legislation - Receipt of unmodified QAO audit - Operational initiatives and capital works delivered on time and within budget - Reduction in substantiated complaints received - No substantiated breaches of the Councillors Code of Conduct
<p>What is the plan?</p>	<ul style="list-style-type: none"> - <u>Develop an effective Workforce Development and Human Resources Strategy</u> - <u>Media training for staff, Mayor and Councillors</u> - <u>Media and Communications Strategy</u> - Continue to develop a skilled and experienced workforce that respects and values Douglas as a workplace of choice. - Ongoing development of a culture of openness, trust and accountability in which all staff are valued. - Ensure all aspects of administrative management and compliance are structured in accordance with statutory obligations, and appropriate delivery frameworks. - Develop and utilise the new five year Corporate Plan including Visions and Values - Provide opportunities for learning and professional development to staff and Councillors. - Encourage community critique and comment of all aspects of Council's functions and operations. - <u>Develop an Indigenous Reconciliation Plan</u>
<p>Resources Required: (What physical, human or financial resources required?)</p>	<ul style="list-style-type: none"> - <u>Whole of Council input and commitment. Provision of sufficient budget and resources to enable both Councillors and staff to discharge all duties efficiently and cost effectively.</u> - <u>Code of Conduct annual training</u>
<p>Associated Documents: (InfoExpert Doc ID)</p>	
<p>Timeline:</p>	

Matters arising from review:

Doc ID 432035

Date reviewed by MT:	
Matters arising from review:	Nil
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
5	WHS	Inadequate compliance with WHS systems
Accountable Officer	Executive Manager People & Governance	

Date	Jan 2014	Date	Mar2015	Feb 2016	Mar2017	Jun 2018	Jun 2019
Likelihood	5 Almost Certain	Likelihood	4 Likely	4 Likely	4 Likely	3 Possible	3 Possible
Conseq. Level	3 Mod.	Conseq. Level	3 Moderate	3 Moderate	3 Moderate	3 Moderate	3 Moderate
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	High

<p>Source of Risk: <i>(How might the risk arise?)</i></p>	<ul style="list-style-type: none"> - Non-compliance with WHS requirements - Lack of procedures - Lack of skills / training - Inadequate budget - Poor monitoring and review of systems - Lack of ownership of WHS responsibilities and development of a WHS responsible culture within the organisation - Lack of leadership / senior management support - Failure to provide a safe environment - Safety issues due to higher hazard environments e.g. swimming pools, remote work - High risk activities such as events <p>TF-Resources within workforce and operational budgets to address hazards</p>
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<p>TF- Workplace Safety Management System adopted in June 2019</p> <ul style="list-style-type: none"> - WHS Advisors to utilise resources available (e.g. WHS Reps) - WHS programme - Training - Audits including self assessments - Quarterly Action Plans (including relevant Tool Box Talks and hazard Inspection) - Ensuring adherence to rectification action plans - Embedding a safe work culture in day to day operations - Promote the benefit of reporting of near miss incidents to prevent future incidents - Better utilisation of available data to inform decision making - Insurance for Senior Leaders
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> - TF-Implement recommendations from 2019 WH&S Audit including performance indicators - Declining trends in Work cover and lost time incidents

Commented [TF1]: There will need to be a consideration for Senior Staff in organisation to have private Insurance

Doc ID 432037

	<ul style="list-style-type: none"> - Working towards the attainment of Workplace Health & Safety Audit benchmark
What is the plan?	<ul style="list-style-type: none"> - TF Rollout recommendations from 2019 WH&S Audit - Continued roll out Safeplan - Maintain enhanced WHS meeting structures - Maintenance of corporate induction program including safety component for all new staff - Continued safety training for all staff - Ongoing education of employee responsibilities to WHS - Monitoring and reviewing of incidents/progress of MAPs - Monthly reporting of WHS to WHS Committee (including Reps and Managers/GMs) - Rollout of electronic safety management system (Mango) - Establish close working relationship with JLT WHS Consultants - Educate Councillors on risk
Resources Required: <i>(What physical, human or financial resources required?)</i>	<ul style="list-style-type: none"> - Management to actively support progress toward 70% accreditation rating - Continue to provide operational budget as needed for WHS matters - Ongoing training of safety Advisors and Representatives
Associated Documents: <i>(InfoExpert Doc ID)</i>	<ul style="list-style-type: none"> - SafePlanSafety management Plan - Quarterly Action Plans - WH&S Quarterly Reports
Timeline:	<ul style="list-style-type: none"> - Ongoing

Matters arising from review: TF-WH&S Audit conducted in 2019 with 13 recommendations	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

Doc ID 432037

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
6	LRL	Failure to comply with statutory and legal organisational obligations and responsibilities
Accountable Officer	Executive Manager People & Governance	

Date	Jan 2014	Date	Mar 2015	Feb 2016	Mar2017	Jun 2018	Jun 2019
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	2 Unlikely	2 Unlikely	2 Unlikely
Conseq. Level	4 Major	Conseq. Level	3 Moderate	3 Moderate	3 Moderate	3 Moderate	3 Moderate
Inherent Risk Rating	High	Residual Risk Rating	High	High	Medium	Medium	Medium

Source of Risk: <i>(How might the risk arise?)</i>	<ul style="list-style-type: none"> - Lack of relevant experience - Cost shifting by the State in devolving functions to local government without adequate resources and training - Lack of appropriate consultation - Inadequate systems to capture and distribute information - The pace of change of legislation - High staff turnover in senior roles - Lack of understanding of what the statutory and legal organisational obligations and responsibilities are. (E.g. W&WW permit compliance for the environment and to community.) -public liability of DSC properties tenanted by individuals/clubs not on lease or permits
Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i>	<ul style="list-style-type: none"> - Attendance at appropriate training, seminars and regional forums - Recruiting and retaining suitably qualified or experienced staff - Audits - internal & external - Legal or relevant professional opinions as required - Updates from LGAQ, LGMA or relevant state agencies - Continual review of organisational structure
Performance Measure: <i>(How will you know the risk treatment is working?)</i>	<ul style="list-style-type: none"> - Satisfactory results obtained in all audit reports - Successful defence of legal action against Council - Compliance with reporting requirements to legislative authorities
What is the plan?	<ul style="list-style-type: none"> - Ongoing review of Council policies - Ongoing maintenance of adopted delegations register - Continue to work with LGAQ, LGMA & FNQROC - Seek professional advice as appropriate regarding matters requiring statutory clarification - Compliance with all audit requirements - Adherence to statutory timelines - Staff and Councillors' training in legal risks
Resources Required: <i>(What physical, human or financial resources required?)</i>	

Doc ID 432038

Associated Documents: <i>(InfoExpert Doc ID)</i>	- General Policy Register and associated policies - Organisational calendar
Timeline:	Ongoing

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
7		Reduction in revenue raising capacity
Accountable Officer	Chief Financial Officer	

Date	Jan 2014	Date	Mar 2015	Feb 2016	Mar 2017	Jun 2018	Jun 2019
Likelihood	3 Possible	Likelihood	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely	3 Possible
Conseq. Level	2 Minor	Conseq. Level	2 Minor	2 Minor	2 Minor	2 Minor	2 Minor
Inherent Risk Rating	Moderate	Residual Risk Rating	Low	Low	Low	Low	Medium

<p>Source of Risk: <i>(How might the risk arise?)</i></p>	<ul style="list-style-type: none"> - Economic downturn (eg failure of sugar cane industry and/or decline in tourism causing inability to afford rates) - Flow-on effects from economic downturn - Loss of Federal/State Grants - Loss of contract work (eg RMPC) - Ineffective acquittal of grant funding - Inappropriate financial decisions when determining revenue requirements - Loss of industries or other key economic drivers - Population and tourism decline - Climate change and adverse media statements during weather events - Insufficient resourcing to apply for funding
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> - Review Fees and Charges to be competitive with similar council's - Conduct networking and communication to preserve/develop relationships with stakeholders - Strong budget controls - High percentage of own-source revenue - Strong financial position provides financial buffer and time to adjust service levels - High quality internal controls - Strong relationship with other source income suppliers - Resources in Grants to attract more funding - Advocate for State and Federal funds for agricultural and tourism industries - Advocate and facilitate economic development - Robust rates model
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> - Maintain high percentage of own-source revenue - KPI's on number applying for Grant Opportunities - Council adoption of appropriate annual and adjusted rate and fees & charges increases to cover costs and meet service expectations - Deliver on "balanced" operating budget strategy by the 2019/20 financial year

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What is the plan?	<ul style="list-style-type: none"> - Achievement of legislative financial sustainability ratios - Maintain an equitable rating / charging strategy - Maximise any other appropriate revenue opportunities - Closely monitor budgets to ensure timely invoicing of all revenue is occurring (e.g. rates, fees and charges, grant/subsidy, progress claims etc.) - Develop systems for tracking and obtaining Developer Contributions - Obtain specialists' advices as required - Develop more revenue raising opportunities
Resources Required: <i>(What physical, human or financial resources required?)</i>	- Existing
Associated Documents: <i>(InfoExpert Doc ID)</i>	QAO Performance Audit 2018 Financial policies Annual budget and long term financial forecast
Timeline:	- Ongoing

Matters arising from review: Planning area to improve recording/processing and documenting Developer Contributions. Establish an audit committee as per the Operational Plan 2019-20	
Date reviewed by MT:	
Matters arising from review: Nil	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
8	RE/PO	Lack of capacity, skills or capabilities to meet emerging needs of organisation
Accountable Officer	Executive Manager People & Governance	

Date	Jan 2014	Date	Mar 2015	Feb 2016	Mar 2017	Jun 2018	Jun 2019
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	3 Possible
Conseq. Level	3 Moderate	Conseq. Level	2 Minor	2 Minor	2 Minor	2 Minor	2 Minor
Inherent Risk Rating	High	Residual Risk Rating	Medium	Medium	Medium	Medium	Medium

Source of Risk: <i>(How might the risk arise?)</i>	<ul style="list-style-type: none"> - Lack of corporate knowledge due to turnover of staff - Ageing workforce - higher retirement rate - Lack of training and development - Inappropriate staff culture - Lack of succession planning - Uncompetitive remuneration - Shortage of skills within region - Inability to attract appropriately skilled and experienced staff - Staff fatigue during critical timeframes e.g. Carnivale - Loss of confidence by Council staff in the Vision
Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i>	<ul style="list-style-type: none"> - Commitment to training/professional development of staff - Competitive remuneration packages - Dedicated Human Resources and Training team - Opportunities for secondments within organisation - Opportunities for trainees and graduates - Transition to retirement program - Participation in networking groups e.g. FNQROC / Peak Services - Partner with LGAQ & LGMA
Performance Measure: <i>(How will you know the risk treatment is working?)</i>	<ul style="list-style-type: none"> - Increasing staff retention ratio - Increase in qualifications/experience in the workforce - Commitment to leadership development in middle management - Staff satisfaction
What is the plan?	<ul style="list-style-type: none"> - Ongoing improvement of Organisational culture - Market Council as an employer of choice attracting candidates of a higher calibre - Development and implementation of a Douglas Certified Agreement - Long term planning (including succession planning) - Continue to budget for transition to retirement roles - Continue implementation of annual performance development reviews and annual review of position descriptions - Greater utilisation of online training opportunities - Continue to encourage multiskilling/cross training
Resources Required:	<ul style="list-style-type: none"> - Training and other appropriate consultants as required

Doc ID 432041

<i>(What physical, human or financial resources required?)</i>	
Associated Documents: <i>(InfoExpert Doc ID)</i>	HR Administration Instructions Employee Professional Development Strategy
Timeline:	Ongoing

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
9		Failure to deliver projects
Accountable Officer	Executive Manager Infrastructure Manager Water & Wastewater Manager Environment & Planning Manager Projects Office	

Date	Jan 2014	Date	Mar 2015	Mar 2016	Sept 2017	Jun 2018	Jun 2019
Likelihood	3 Possible	Likelihood	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	3 Moderate	3 Moderate
Inherent Risk Rating	High	Residual Risk Rating	Medium	Medium	Medium	Medium	Medium

Source of Risk: <i>(How might the risk arise?)</i>	<ul style="list-style-type: none"> - Major disasters putting strain on resources - Weather events effecting Quality, Cost and Time project measures - Inadequate project management skills - Poor financial management (budget overspend) - Changing priorities (political change) - Loss of funding opportunities - Procurement process not followed - Available market skillset - Excessive commitments - No capacity to borrow - Regulatory environment - Lack of trained personnel to satisfactorily plan and model infrastructure networks (inability to deliver projects to plan and within budget and within the correct contractual framework)
Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i>	<ul style="list-style-type: none"> - Project management systems and planning - Project management training - Dedicated resources in each group responsible for the delivery of projects - Contingency plans - Risk management plans - Use of existing corporate knowledge - Matching expectations to available resources - Regular progress reporting and reviews (financial and project). - Staged delivery (design, construct) appropriate to project complexity - Prudent financial management - Standardised FNQROC Procurement processes - PMO to manage high risk or complex projects. - Project planning documentation to be reviewed by qualified staff (Engineers) before release to public.

Doc ID 432042

	<ul style="list-style-type: none"> - Maintaining Capital Tracking PCG - Maintain a Long Term Financial Plan
Performance Measure: <i>(How will you know the risk treatment is working?)</i>	<ul style="list-style-type: none"> -Delivery of projects consistent with long term forecasts -Majority of projects delivered on time and on budget
What is the plan?	<ul style="list-style-type: none"> - Introduce project management systems - Procurement training - Maintain a detailed 10yr CAPEX model to inform staged delivery -Utilisation of Project Plan template -Project Gantt Charts enacted -Maintaining Asset Management Steering Committee to ensure sustainable long term financial management and prioritise projects for each financial year -Skills gap identification and ongoing training programs -Regular progress reporting and reviews (financial and project) - Completion of consolidated work order program -Councillor communication to inform on priorities and manage expectations - Translate the Local Government Infrastructure Plan into specific projects identified in the 10yr CAPEX model - Improve information management system - PMO to be adequately staffed to match workload.
Resources Required: <i>(What physical, human or financial resources required?)</i>	<ul style="list-style-type: none"> -Training budget -Develop procurement and project management human resources - Access to consultants/external resources as required
Associated Documents: <i>(InfoExpert Doc ID)</i>	Asset Management Steering Committee Terms of Reference Document
Timeline:	Ongoing

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
10		Failure to deliver essential services (water, sewerage, transport and waste)
Accountable Officer	Executive Manager Infrastructure Manager Water & Wastewater Manager Environment & Planning	

Date	Jan 2014	Date	March 2015	March 2016	Sept 2017	June 2018	June 2019
Likelihood	3 Possible	Likelihood	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely	2 Unlikely
Consequence Level	4 Major	Consequence Level	4 Major	4 Major	4 Major	4 Major	4 Major
Inherent Risk Rating	High	Residual Risk Rating	Medium	Medium	Medium	Medium	Medium

<p>Source of Risk: (How might the risk arise?)</p>	<ul style="list-style-type: none"> - Major equipment failure - Weather event - cyclone, flood - Failure of external service provider (e.g. Ergon, Telstra) - Poor operational control - Lack of qualified and experienced staff (e.g. transition of aging workforce) - Insufficient qualified personnel to maintain delivery of these essential services - Changes to legislation and standards - Lack of planning - Asset management (maintenance and renewal) insufficient planning, preventative maintenance and lack of funds available. - Terrorist attack - Not understanding the customer's expectations regarding service standards - changes in legislative requirements with insufficient time to plan for the change - Council expands service provision into 'non traditional' areas or forced to take on management through higher government responsibility shifting - Disruption of services due to maintenance activities
<p>Risk Treatment: (What can be done to avoid the risk, control, transfer or finance the risk?)</p>	<ul style="list-style-type: none"> - Suitably qualified and trained staff - Business continuity plans - Back up power supply at critical installations - Counter disaster sub plans - Asset management plans linked to long term financial plans - Asset Management Plans reflect the service standards expected by the customer - Review core business obligations - Communication and collaboration with external providers - Agreed service standards and maintenance intervals

Doc ID 432043

	<ul style="list-style-type: none"> - Regional agreements and alliances -Local Government Infrastructure Plan -Planning through long term modelling, integrated infrastructure and land use planning - Appropriate contract management - Implement appropriate security measures to protect essential assets - Maintain the Emergency Water Action Group -Managers sit as members of LDMG - Staff trained in reporting through disaster management system - Development of appropriate media releases
Performance Measure: <i>(How will you know the risk treatment is working?)</i>	Meeting agreed service standards and statutory requirements
What is the plan?	<ul style="list-style-type: none"> -Attracting and retaining qualified staff - Review service standards, legislation and maintenance intervals which will inform LGIP, modelling and integrated infrastructure and land use planning - Asset Management Steering Committee to oversee asset management requirements and priorities - Identify disaster mitigation measures and regularly exercise - Multiskilling the workforce through cross training and team rotation - Conduct security risk assessment and audit - Engage with customers to understand service expectations - Complete robust ‘whole of life’ business cases where new or expanded service delivery is expected to help inform decision makers - Asset renewal funding linked to 10 year CAPEX and long term financial planning - Implement effective asset management software to manage and track assets
Resources Required: <i>(What physical, human or financial resources required?)</i>	- Staff training financed (skills, contract management)
Associated Documents: <i>(InfoExpert Doc ID)</i>	
Timeline:	Ongoing

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	

Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
11		Political risks
Accountable Officer	Management Team	

Date	Jan 2014	Date	Mar 2015	Mar 2016	Jun 2018	Jun 2019	
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	3 Moderate	
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	

<p>Source of Risk: (How might the risk arise?)</p>	<ul style="list-style-type: none"> - Councillors breaching the Councillors' Code of Conduct - Councillors engaging in misconduct or inappropriate conduct - Councillors actively undermining the work of the administration - Councillors acting outside their area of responsibility - Councillors inappropriately engaging in operational matters - CEO or officers breaching the Code of Conduct - CEO or officers acting unlawfully - CEO or officers failing to act in accordance with Council's direction - Increased regulatory environment - Social media environment - Change of Council due to Local Government elections leads to lack of knowledge
<p>Risk Treatment: (What can be done to avoid the risk, control, transfer or finance the risk?)</p>	<ul style="list-style-type: none"> - Strong leadership - Ongoing training – Councillors and officers - Transparent governance processes - Clear policies and procedures - Adherence to Councillor/Staff Interaction Protocol - Open and frank communication between Councillors and CEO, and in Council workshops - Frequent provision of comprehensive information to the community. - PID and complaint procedures are reviewed and in place
<p>Performance Measure: (How will you know the risk treatment is working?)</p>	<ul style="list-style-type: none"> - No substantiated complaints against Councillors - No substantiated complaints received by the Office of the Independent Assessor, Department of Local Government or Crime and Corruption Commission - Demonstrated reduction in substantiated administrative complaints - Positive commentary in print, radio and social media - Positive feedback from the community - Willingness of diverse community groups to engage openly with Councillors and Council's Administration.

Doc ID 432044

	- Open ongoing communication between Council and the community
What is the plan?	<ul style="list-style-type: none"> - Management of Councillor, CEO and officer conduct strictly in accordance with legislation and adopted policies - Identification and implementation of required professional development training - Provision of a broad range of unbiased and factual information to Councillors and the community to ensure all are well informed - Provision of information to Mayor and Councillors to enable appropriate interaction with elected representatives at Local, Regional, State and Federal level - Careful consideration of community issues and, in conjunction with Council, develop workable plans for resolution of same. - Councillor induction and workshops maintained - Review and update of Public Interest Disclosure (PID) - Complaints Policy - Five Year Communications Strategy
Resources Required: <i>(What physical, human or financial resources required?)</i>	<ul style="list-style-type: none"> - Mayor and Councillors, CEO and senior staff - Adequate resources to support communication, training and related actions.
Associated Documents: <i>(InfoExpert Doc ID)</i>	
Timeline:	Ongoing.

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
12		Failure to undertake lobbying and advocacy
Accountable Officer	Management Team	

Date	Jan 2014	Date	Jan 2015	Mar 2015	Jun 2018	Jun 2019	
Likelihood	2 Unlikely	Likelihood	1 Rare	1 Rare	1 Rare	1 Rare	
Conseq. Level	3 Moderate	Conseq. Level	3 Moderate	3 Moderate	2 Minor	2 Minor	
Inherent Risk Rating	Moderate	Residual Risk Rating	Medium	Medium	Low	Low	

Source of Risk: <i>(How might the risk arise?)</i>	<ul style="list-style-type: none"> - Council lacks ongoing relationship with stakeholders - Failure to understand and identify appropriate stakeholders and community needs - Unwillingness to engage and form necessary relationships - Lack of skills / training - Lack of planning - Poor relationships with state and federal members of parliament
Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i>	<ul style="list-style-type: none"> - Identification of relevant current and proposed Regional, State and Commonwealth policies and responsible agencies and potential impacts on Council's strategic planning and operational initiatives - Identification of current relevant Regional, State and Federal issues and responsible Ministers and officers - Close communication with Mayor and Council to determine community priorities and issues - Presentation of reports to Council detailing options including advocacy and resources required - Regular participation in Regional organisations and active membership in relevant associations (FNQROC, LGMA, LGAQ, Technical networks and committees - Development of a sound reputation through participation in State and Commonwealth Government Inquiries
Performance Measure: <i>(How will you know the risk treatment is working?)</i>	<ul style="list-style-type: none"> - Douglas invited to attend a wide range of Regional, State and Commonwealth events - Douglas invited to make presentations to all levels of Government - Douglas successful in obtaining grant funding - Douglas supported at Ministerial level and by State and Federal Members with measurable and positive outcomes
What is the plan?	<ul style="list-style-type: none"> - Develop an organisational culture of strategic awareness - - Support and encourage officer initiatives within an identified advocacy framework - Identify scheduled agency and regional meeting dates and

Doc ID 432045

	ensure officer representation - Ensure ongoing close communication between Mayor and CEO regarding current policy and political issues - Prepare Mayoral briefing notes identifying key issues - Monitor feedback from representative organisations - Monitor and report feedback from Elected representatives and others. - Train relevant officers in advocacy and community engagement
Resources Required: <i>(What physical, human or financial resources required?)</i>	Allocation of appropriate budget for research, resources for the preparation of briefings and documentation, attendance and travel as required.
Associated Documents: <i>(InfoExpert Doc ID)</i>	
Timeline:	Ongoing.

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
13	LRL	Absence of essential records (contractual, required by legislation, corporate knowledge)
Accountable Officer	Executive Manager People & Governance	

Date	Jan 2014	Date	Mar 2015	Feb 2016	Mar 2017	Jun 2018	Jun 2019
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	3 Possible
Conseq. Level	4 Major	Conseq. Level	3 Moderate	3 Moderate	3 Moderate	3 Moderate	3 Moderate
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	High

<p>Source of Risk: <i>(How might the risk arise?)</i></p>	<ul style="list-style-type: none"> - Poor staff knowledge of requirements - Lack of consistent approach to record management (including records held by Councillors) - Records held in stand alone systems - Potential damage due to inappropriate physical storage - Inadequate training of staff - Inadequate policies and procedures regarding record filing and retention - Inappropriate ICT platform leading to inconsistent filing of records - Complex and unwieldy DMS will lead to staff to make their own procedures to get the job done
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> - Top down approach to correct record management practices - Review of record keeping practices - Review of record storage and back ups - Commitment and ongoing training of staff and Councillors - Increase user acceptance of EDRMS by structural improvements and a more flexible approach
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> - Efficient record retrieval - Satisfactory compliance audits - Compliance with Right to Information guidelines - Internal feedback - Compliance with Records Management legislation
<p>What is the plan?</p>	<ul style="list-style-type: none"> - Develop and adopt a more user friendly EDRMS - Review current record keeping processes including stand alone systems - Introduce more effective technology/systems making data capture easier and where possible automatic - Streamline processes in records acceptance (e.g. central email addresses) - Review current storage arrangements and retention - Progress archiving of records - Implement staff and Councillor training in record keeping legislation and Council’s EDRMS

Resources Required: <i>(What physical, human or financial resources required?)</i>	-Budget for appropriately qualified specialists to archive records
Associated Documents: <i>(InfoXpert Doc ID)</i>	
Timeline:	-Ongoing

Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

APPENDIX C – RISK TREATMENT PLAN

Risk Number	Category	Description
14	RE/PO	Fraud and Corruption
Accountable Officer	Management Team	

Date	Jan 2014	Date	Feb 2016	Mar 2017	Jun 2018	Jun 2019	July 2021
Likelihood	4 Likely	Likelihood	3 Possible	3 Possible	3 Possible	3 Possible	3 Possible
Conseq. Level	4 Major	Conseq. Level	4 Major	4 Major	4 Major	4 Major	4 Major
Inherent Risk Rating	High	Residual Risk Rating	High	High	High	High	High

<p>Source of Risk: <i>(How might the risk arise?)</i></p>	<ul style="list-style-type: none"> - Lack of strategic focus - Lack of or poor internal control measures - Inadequate management focus on internal controls - Organisational culture/staff attitudes - Outdated cultural norms - Enabling/modelling poor ethical behaviour - Confidentiality standards not maintained - Inadequate understanding of conflict of interest/material personal interest - Recruitment – lack of relevant checks e.g. police, refs - Inappropriate staffing/management - Ineffective policies and procedures - Poorly managed delegations - <u>Lack of asset management systems</u> - <u>Inadequate training of staff</u>
<p>Risk Treatment: <i>(What can be done to avoid the risk, control, transfer or finance the risk?)</i></p>	<ul style="list-style-type: none"> - Strong commitment demonstrated by the Management Team - Councillors promoting ethical behaviour to set the tone - Strong internal controls and documented procedures - Appropriate segregation of duties and delegations - Internal audit program with initial focus on <u>high-riskhigh-risk</u> areas - External audit program - Mandatory Staff training and regular awareness sessions - Investigation of allegations undertaken by competent staff and/or industry professionals as required <u>& followed through to disciplinary proceedings if required</u> - Robust corporate induction program - Implement actions from Fraud and Corruption Control Plan - <u>Audit committee now up and running 20/21</u> - <u>Conflict of Interest Policy adopted June 21 (Staff) & Register maintained</u>
<p>Performance Measure: <i>(How will you know the risk treatment is working?)</i></p>	<ul style="list-style-type: none"> - Any reasonable suspicions of fraud/corruption promptly reported by staff - Zero instances of substantiated fraud and corruption

	<p>conduct</p> <ul style="list-style-type: none"> - <u>Audit feedback that internal controls are appropriate and effective</u> - <u>Audit committee satisfied with results of risk review and audit findings</u>
<p>What is the plan?</p>	<ul style="list-style-type: none"> - Maintain and review Fraud and Corruption Control Plan - <u>Continual review and enhancement of internal controls</u> - <u>Review Procurement Policy & Sole Supplier Register</u> - A relevant training program implemented – mandatory at induction and annually - Ongoing assistance through internal audit plans to enhance fraud and corruption controls/training - <u>Develop an Audit Committee to do ongoing risk evaluations</u> - <u>Maintain Conflict of interest policy, process & register</u> - <u>Implement an Asset Management System – commencing set up 21/22 year.</u> - <u>Engaging a GIS officer 21/22 year.</u> - <u>Implement appropriate policies e.g. Use of Mobile Devices (drafted 20/21 to be implemented, Motor Vehicle use Policy (adopted 20/21), Working from Home ICT Equipment Policy (to be drafted)</u> - <u>Update delegation form & align with Authority process</u> - <u>Implement Pro-map and do gap analysis for processes</u> - <u>Rolling review of staff system access</u> - <u>Implement Eftsure AP fraud protection system</u> - <u>Refine ABA file location security & access</u> - <u>System penetration testing by independent consultant</u> - <u>Where possible, restrict external portal access to DSC IP address only</u> - <u>Data breach process prevention and reporting development</u> - <u>Continued Cyber risk & Data Breach training for Managers and all staff</u> - <u>Add an additional IT contract resource to provide the capacity to meet known forward work plan, as well as the growing security, maintenance and governance needs of the IT environment - fixed term position to commence Sept 2021</u> - <u>Extension of 2 factor authentication as deemed necessary</u> - <u>System penetration testing by independent consultant</u> - <u>Implement Pro-map to assist with BCP process documentation & gap analysis.</u>
<p>Resources Required: <i>(What physical, human or financial resources required?)</i></p>	<p>Training Professional assistance as required – <u>HR/IR, Legal, Professional Development</u></p>
<p>Associated Documents: <i>(InfoExpert Doc ID)</i></p>	<p>Fraud General Policy (InfoXpert #402613) LGAQ - Local Government Fraud Prevention and Management Guide CCC – Fraud and Corruption Control Guidelines for Best Practice QAO – Fraud Management in Local Government (Report 19: 2014-15)</p>

	SAI Global – Sirca 01-2003 Fraud Resistance: A Practical Guide Council’s Fraud and Corruption Control Plan
Timeline:	Ongoing

Matters arising from review <u>2019</u> : Establish an Audit Committee as per the Operational Plan 2019-20	
Date reviewed by MT:	<u>20/8/2021</u>
Matters arising from review: <u>Audit committee now in place. Implement Asset Management System & engage GIS officer, adopt relevant asset usage policies (Mobile devices, Working from Home Equipment etc.), continue to improve induction and annual training, update delegation form and Authority process to align, review procurement policy & sole supplier register, implement pro-map & do gap analysis of processes, implement Eftsure, refine ABA file location security & access. Ongoing staff system access reviews, engage fixed term additional ICT staff member, extend 2 factor authentication.</u>	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	
Matters arising from review:	
Date reviewed by MT:	

3.1. CONTRACT WO5040-02 DONOVAN RANGE PAVEMENT UPGRADE - CHANGE TO CONTRACT

REPORT AUTHOR	Scott Hahne, Manager Project Office
MANAGER	Mark Stoermer, Chief Executive Officer
DEPARTMENT	Project Office

RECOMMENDATION

That Council:

1. Resolves to:

Award a variation for the change in concrete supply to MC Group (QLD) for contract WO5040 – Donovan’s Range Pavement Upgrade as reasonably assessed by Council Officers up to the value of \$480,124.99 (ex GST)

OR

Remove scope from contract WO5040 – Donovan’s Range Pavement as reasonably assessed by Council Officers up to the value of \$1,414,630.16 (ex GST).

OR

Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to enter a deed of agreement to mutually end the contract agreement.

OR

Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to end the contract in accordance with the termination for convenience clause of the contract

EXECUTIVE SUMMARY

At the Ordinary Council Meeting of 23 February 2021, MC Group (QLD) Pty Ltd was awarded contract WO5040- Donovans Range Pavement Upgrade. Due to issues with concrete supply a change to the contract is required and Council has four options in how to proceed:

- Option 1 – Award a variation to the contract
- Option 2 - Remove scope from the contract
- Option 3 – Mutually agree to end the contract
- Option 4 – Terminate the contract for convenience

Due to the sensitive commercial nature of the various options, the body of the closed report outlines the details of each option.

BACKGROUND

Council resolved at its 23 February 2021 Ordinary Council Meeting to award the Donovan's Range Pavement Upgrade project to MC Group (QLD) Pty Ltd under an amended resolution. The primary reason for not adopting the officers' recommendation was an overarching view that due to Covid, a local company should be supported. A contributing factor in this decision was also that MC Group's tendered price was the lowest.

MC Group's tender for the project was based on the production of concrete via a mobile batching plant located approximately 15 kilometres from the site at Cape Tribulation.

The proposed batching site was assessed as a High Impact Industry requiring planning approvals. Legal advice made it clear that the proposed batching site would not be possible. Consequently, an alternative to the concrete supply is now required. The only practicable solution now with the time remaining is to obtain concrete supply from either the Mossman or Port Douglas permanent concrete batch plants.

The cost to provide concrete from Mossman or Port Douglas is more expensive; hence, a variation claim has been made by MC Group to an amount of \$328,369.60 (ex GST).

Other variations concerning changes to the contract have been included within this report as they are reasonably significant claims, are current and may have a material effect on the decision made. These changes relate to improvements to the subgrade (or surface on which the concrete pavement will rest on) and the cement content within the concrete to now be supplied. These variations total \$151,755.39

COMMENT

There are four options for Council to consider:

Option 1 – Award a variation to the contract

Option 2- Remove scope from the contract

Option 3 – Mutually agree to end the contract

Option 4 – Terminate the contract for convenience

Details of each option are provided in the closed report

PROPOSAL

That Council:

1. Resolves to:

Award a variation for the change in concrete supply to MC Group (QLD) for contract WO5040 – Donovan's Range Pavement Upgrade as reasonably assessed by Council Officers up to the value of \$480,124.99 (ex GST)

OR

Remove scope from contract WO5040 – Donovan's Range Pavement as reasonably assessed by Council Officers up to the value of \$1,414,630.16 (ex GST).

OR

Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to enter a deed of agreement to mutually end the contract agreement.

OR

Delegates authority under section 257 of the *Local Government Act 2009* to the Chief Executive Officer to end the contract in accordance with the termination for convenience clause of the contract

FINANCIAL/RESOURCE IMPLICATIONS

The finance/resource management implications for each option have been provided to Councillors.

RISK MANAGEMENT IMPLICATIONS

The risk management implications for each option have been provided to Councillors.

SUSTAINABILITY IMPLICATIONS

Economic: Nil

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Builder/Owner Council makes a significant investment every year in the infrastructure that underpins the Shire through its capital works program. Council will manage its assets with appropriate frameworks and deliver its projects through robust project management.

CONSULTATION

Internal: Internal relevant departments

External: Legal advice

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

Nil

7. OTHER BUSINESS

REPORT AUTHOR

Dr Martin Fahy, Audit Committee Chair

RECOMMENDATION

That the Audit Committee note the verbal report provided on the Probity Audit.

EXECUTIVE SUMMARY

The Audit Committee Chair will present a verbal report on the Probity Audit.

ATTACHMENTS

Nil