



AUDIT COMMITTEE MEETING  
MINUTES

3 MARCH 2020

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**CITY OF GREATER GERALDTON****AUDIT COMMITTEE MEETING  
TO BE HELD ON TUESDAY 3 MARCH 2020 AT 3.30PM  
IN THE COMMITTEE MEETING ROOM – CIVIC CENTRE****A G E N D A****1 DECLARATION OF OPENING**

The meeting was declared open at 3.30pm by Chairman Mayor Shane Van Styn.

**2 ATTENDANCE****Present:**

Mayor S Van Styn  
Cr T Thomas  
Cr N Colliver  
Cr D Caudwell

**Officers:**

R McKim, CEO  
P Radalj, Director Corporate and Commercial Services  
R Doughty, Chief Financial Officer  
T Machukera, Financial Accountant  
B Pierce, Manager Corporate Compliance and Safety  
M Adam, Coordinator Governance (*Minutes*)  
K Wheeler, Governance Officer (*Minutes*)

**By Invitation:**

N/A

**Apologies:**

Nil

**Leave of Absence:**

Nil

**3 CONFIRMATION OF PREVIOUS MINUTES**

Recommendation: That the minutes of the City of Greater Geraldton Audit Committee meeting held on 2 December 2019 as attached be accepted as a true and correct record of proceedings.

**COMMITTEE DECISION**

**MOVED Cr Thomas, SECONDED Cr Colliver**

**That the minutes of the City of Greater Geraldton Audit Committee meeting held on 2 December 2019 ,as attached, be accepted as a true and correct record of proceedings.**

**CARRIED 4/0**

#### 4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC090	ICT BUSINESS CONTINUITY AND DISASTER RECOVERY
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<b>AGENDA REFERENCE:</b>	<b>D-20-021678</b>
<b>AUTHOR:</b>	<b>D Duff, Manager ICT Services</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>20 February 2020</b>
<b>FILE REFERENCE:</b>	<b>IT/11/0005</b>
<b>ATTACHMENTS:</b>	<b>No</b>

#### **EXECUTIVE SUMMARY:**

The purpose of this report is to update the audit committee on the testing of the City's ICT business continuity and disaster recovery (ICT BCDR) plan.

#### **EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. NOTE the successful testing of the ICT business continuity and disaster recovery (ICT BCDR) plan.

#### **PROPONENT:**

The proponent is the City of Greater Geraldton.

#### **BACKGROUND:**

In April 2018 the City's ICT BCDR plan was finalised, endorsed and published. Following the completion of the plan a live test was conducted to verify the effectiveness of the plan. This live test was completed in December 2018. Following the live test, some minor improvements were made to procedures and infrastructure, and a second test was completed on 29 March 2019.

The March 2019 test was executed as defined in the ICT BCDR Plan with no issues encountered. Notably, the recovery item objective (RTO) of 2 hours was met in 18 minutes and the recovery point objective (RPO) was met with zero data loss.

Following the March 2019 test, scheduled quarterly system checks have been conducted to confirm the infrastructure and dependent services are active and ready should an event take place.

The annual live test was recently conducted in February 2020. This test was executed as defined in the ICT BCDR Plan with no issues encountered. Recovery times were met and there was zero data loss.

#### **COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:**

##### **Community:**

There are no adverse community impacts.

**Environment:**

There are no adverse environment impacts.

**Economy:**

There are no adverse economic impacts.

**Governance:**

A program of continual testing related to BCDR Planning is aimed at ensuring that procedures are up-to-date and in place, to adequately deal with significant disruptions to critical business operations.

**RELEVANT PRECEDENTS:**

The Audit Committee last noted outcomes from the ICT BCDR plan in October 2019

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

There are no legislative or policy implications.

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Financial Sustainability and Performance
Strategy 4.4.3	Delivering and ensuring business systems and services support cost effective Council operations and service delivery
Title: Community	Emergency Management
Strategy 1.4.1	Building resilience and capacity to manage natural and man-made emergency events

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT**

The City's ICT BCDR plan ensures core business operations can continue in the event of a disaster. It ensures the City can receive payments, make payments, pay staff, communicate, and record and retrieve activities of business during a disaster, as well as successfully recover all services following a disaster.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS**

No alternate options were considered by officers.

**COMMITTEE DECISION**

**MOVED Cr Thomas, SECONDED Cr Caudwell**

**That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act RESOLVES to:**

- 1. NOTE the successful testing of the ICT business continuity and disaster recovery (ICT BCDR) plan.**

**Carried 4 /0**

**AC091 WORK HEALTH & SAFETY BILL UPDATE**

<b>AGENDA REFERENCE:</b>	<b>D-20-02224</b>
<b>AUTHOR:</b>	<b>B Pearce, Manager Corporate Compliance &amp; Safety</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>21 February 2020</b>
<b>FILE REFERENCE:</b>	<b>RM/6/0020</b>
<b>ATTACHMENTS:</b>	<b>No</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to inform the Audit Committee of the Work Health & Safety Bill (WHS) that is anticipated to progress through parliament in coming months.

**EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act RESOLVES to:

1. ACKNOWLEDGE receipt of the Work Health & Safety Bill report;
2. ENDORSE that the updated City of Greater Geraldton Safety Management System be included into CGG “rolling” internal audit program; and
3. ENDORSE that the Safety Management System audit report findings when completed be provided to the Audit Committee.

**PROPONENT:**

The proponent is the City of Greater Geraldton.

**BACKGROUND:**

WHS, the national model safety legislation, was developed to harmonise the diverse and at times, conflicting safety legislation across Australia. Since its development by SafeWork Australia (and other key stakeholders) all states and territories excluding Western Australia and Victoria have adopted WHS. In addition, WHS has also been adopted by New Zealand.

Western Australia had taken minimal action on adopting WHS until 2017 when the State Government announced that it had commenced development of WHS for WA. This development took approximately one year, following which public consultation was undertaken.

In late 2019 State Government commenced workshops across the state seeking final feedback on the WHS bill. During this consultation, it was confirmed that WHS would reduce the current eight safety-related legislation across general, mining and petroleum industries to four main acts. The general WHS act developed is the main act that legislates City operations.

Following the conclusion of the consultation, State Government tabled the WHS Bill in parliament on the 27 November 2019.

On the 11 February 2020, the State Government confirmed the approval from the WA Governor to progress the WHS Bill to an Act.

The WHS Bill then progressed as follows through the Legislative Assembly and is now with the Legislative Council.

Legislative Assembly	Date
Introduced	27 Nov 2019
First Reading	27 Nov 2019
Second Reading	27 Nov 2019
Second Reading Agreed	19 Feb 2020
Consideration in Detail	19 Feb 2020
Amendments adopted	19 Feb 2020
Third Reading	20 Feb 2020

  

Legislative Council	Date
Introduced	20 Feb 2020
First Reading	20 Feb 2020
Second Reading	20 Feb 2020

Image sourced 21/02/2020 [WA Parliament Work Health and Safety Bill 2019](#)

While the City can not pre-empt the action of the State Government and Legislative Council, it appears that the WHS Bill will be adopted by mid-2020. This is supported by the speed the WHS Bill has progressed through the Legislative Assembly and Council, and the fact that the Department of Mines, Industry Regulation and Safety (WorkSafe) has had an increase in departmental budget; and has recruited additional WorkSafe inspectors and officers across WA in readiness for the expanded requirements under WHS.

There are key differences from the current WA safety legislation to the proposed WHS legislation. The following summarises major changes WHS will bring.

Item	Explanation
PCBU	<p>The term 'employer' in existing WA safety laws is replaced with the broader 'person carrying on a business or undertaking,' ('PCBU'), capturing all types of organisations including those without employees.</p> <p>A PCBU can be an individual, including a member of a partnership and a sole trader but will typically apply to companies and other entities. PCBU's will owe a new 'primary duty of care' to ensure the health and safety of workers and others affected by the work.</p>

Item	Explanation
Officer Due Diligence	<p>The Bill includes up-front positive corporate 'officer' due diligence duties for organisational decision-makers. These new duties replace derivative, fault-based duties in existing WA safety laws and are intended to increase accountability on decision making that affects health and safety.</p> <p>WHS Bill sets out the six core elements of the due diligence obligation, which in summary requires officers to:</p> <ul style="list-style-type: none"> <li>• acquire and keep up-to-date knowledge of WHS matters – beyond the workplace;</li> <li>• understand the nature of the operations of the organisation and the hazards and risks associated with those operations;</li> <li>• ensure appropriate resources and processes are available for use and are actually used, to eliminate or minimise risks;</li> <li>• provide appropriate processes to obtain information regarding incidents, hazards and risks and ensure response in a timely way to that information;</li> <li>• implement a process for ensuring ongoing legal compliance with all duties; and</li> <li>• verify the provision and use of these resources and processes.</li> </ul> <p>It is not yet fully understood how far the term officer applies as the above-listed items are inherent to all roles involving people management.</p>
Increased Consultation	Increased internal and external organisational WHS consultation requirements are included in the Bill. Contractor consultation obligations require PCBU's with common interests, to 'consult, cooperate and coordinate' in relation to health and safety matters.
Upstream Duties	Increased 'upstream' duties to ensure health and safety-related to plant, substances and structures are also included, with WHS obligations on designers, manufacturers, constructors, suppliers, and importers.
Workers	Any person who carries out work for a PCBU, including work as an employee, contractor, subcontractor, self-employed person, outworker, apprentice or trainee, work experience student, an employee of a labour-hire company placed with a 'host employer' and volunteers.
Duty to all people affected by the work	The type of people owed a duty under the proposed new WHS laws by PCBU's and other duty holders, is broadened from 'employees' to 'workers' and other 'people affected by the work'.

Item	Explanation
	This includes all directly employed and indirectly engaged workers. It also includes customers, patrons, residents, tenants, students, visitors, spectators, and passers-by.
Volunteers	Volunteers are deemed to be workers under the new WHS laws and are owed a primary duty of care by a PCBU, as well as owing a worker duty of care themselves
Enforceable Undertakings	<p>There is an option for a negotiated Enforceable Undertaking in lieu of prosecution or criminal conviction as an enforcement option for all but the most serious of WHS offences.</p> <p>This may include a commitment to develop, implement or support a worthwhile and approved workplace or public WHS initiative that would be broadly equivalent to or exceeds the relevant conviction penalty for the related WHS offence.</p>
Manslaughter	<p>The WHS Bill 2019 (WA) proposes two new industrial manslaughter offences for breaches of a health and safety duty involving a workplace death.</p> <p>‘Simple’ offence: The less serious ‘industrial manslaughter – simple’ WHS offence arises where a person fails to comply with a health and safety duty causing the death of a person. Many workplace fatalities will fit into this category in circumstances where a person was killed at work and where a duty was breached causing the death of the person.</p> <p>‘Crime’ offence: The more serious ‘industrial manslaughter – crime’ offence is a criminal offence. It arises where a person has a health and safety duty and engages in conduct that causes a workplace death, knowing that the conduct is likely to cause the death of an individual, and the person acted in disregard of that likelihood.</p> <p>A PCBU can be charged with an industrial manslaughter offence, as well as an officer of the PCBU. For officers, the prosecution must prove additional elements including that the PCBU’s conduct was attributable to neglect by the officer and that the PCBU’s conduct was engaged in with the officer’s consent or connivance.</p> <p>The ‘industrial manslaughter – simple’ WHS offence attracts a maximum penalty for an individual of 10 years imprisonment and a fine of \$2.5 million, and for a corporation \$5 million. The maximum penalty for the ‘industrial manslaughter – crime’ criminal offence for an individual is 20 years imprisonment and a fine of \$5 million, and for a corporation \$10 million.</p>

Item	Explanation
Penalties	Penalties in the WHS Bill 2019 (WA) are even higher with breaches of a health and safety duty ranging from to \$570,000 to \$3.5 million for a corporation and for an individual \$120,000 to \$680,000 and imprisonment for 5 years.
Prohibition on insurance and other indemnities	<p>The Bill proposes an offence where a person either indemnifies, or offers to indemnify, another person for a WHS fine liability. An insurance policy that would otherwise indemnify a person's liability to pay a fine for a WHS offence is invalid.</p> <p>Similarly, a contractual obligation or other promise by a person to pay a WHS fine liability for another person is also invalid. The penalty for a breach of the WHS indemnity provisions for a corporation is \$285,000 and \$55,000 for an individual.</p>

The above information makes use of the following WHS resources:  
[Morgan & Baldwin, Work Health & Safety Bill 2019 – Introduced into WA Parliament](#)  
[Wade - Changes to Occupational Safety and Health Regime in WA](#)  
[Safe Work Australia](#)

State Government has advised that the implementation of WHS will make use of the Safe Work Australia *Model Work Health and Safety Act - transitional principles*. These principles detailed that the WHS Act implementation may vary across jurisdictions but that a no grace period is not recommended.

At the WorkSafe consultation session held late last year presenters advised that it is anticipated that the WHS Act would come into effect by mid-2020 with all other requirements to follow in the subsequent 12 months. This ultimately will depend on the outcome of the parliament process.

To enable the City to meet its proactive responsibilities for ensuring a safe workplace under WHS the City has commenced the following.

### **Safety Management System alignment to WHS**

The City undertook a review of its documented safety policies, procedures and templates in comparison to a range of other Council and businesses who are currently operating under WHS.

Using these as a basis the City has developed a suite of safety documents aligned to City operations and WHS. Due to the scale of City operations, the Safety Management System at the time of this report is circa 220 records (Policies, procedure, manager toolkits, and templates).

### **Training and Communications**

A primary requirement of WHS is training and consultation, it is for this reason that the City has developed Manager Toolkits. These toolkits enable line-supervisors to

be trained to manage and oversee their teams undertaking works safely. Manager toolkits have been developed for all primary safety procedures.

A current review is underway of the City's induction process to align with WHS. This is being supported by the establishment of verification of competency process for activities and plant and equipment use.

### **COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:**

#### **Community:**

There are no adverse community impacts.

#### **Environment:**

There are no adverse environmental impacts.

#### **Economy:**

The cost of compliance with WHS will impact the City, and local businesses and associations. This will be due to the increase in administration for all who now must proactively manage and document safety management.

#### **Governance:**

Effective safety management under WHS requires the establishment of robust systems of work, i.e. governance practices. The implementation of the City's new WHS aligned Safety Management System shall ensure effective governance of City safety.

### **RELEVANT PRECEDENTS:**

There is no precedents noted for this item.

### **COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

### **LEGISLATIVE/POLICY IMPLICATIONS:**

Occupation Safety & Health 1984

Occupation Safety & Health Regulations 1996

Work Health & Safety Bill 2019

### **FINANCIAL AND RESOURCE IMPLICATIONS:**

The implementation and ongoing management of the new WHS requirements will require the application of additional resources to meet compliance obligations.

In addition, WHS requires that the City must ensure the safety of all workers (which includes volunteers and contractors) as such, this will require the deployment of new process and resources to ensure these categories of workers are managed in accordance with WHS requirements.

### **INTEGRATED PLANNING LINKS:**

<b>Title: Governance</b>	<b>Good Governance &amp; Leadership</b>
Strategy 4.5.4	Ensuring Human Resource planning, policies and procedures support effective and safe Council service delivery.

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT**

The establishment of the WHS aligned Safety Management System is a critical risk management and compliance control.

**ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS**

No alternatives have been considered.

**COMMITTEE DECISION**

**MOVED** Cr Colliver, **SECONDED** Cr Thomas

**That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act RESOLVES to:**

- 1. ACKNOWLEDGE receipt of the Work Health & Safety Bill report;**
- 2. ENDORSE that the updated City of Greater Geraldton Safety Management System be included into CGG “rolling” internal audit program; and**
- 3. ENDORSE that the Safety Management System audit report findings when completed be provided to the Audit Committee.**

**Carried 4 /0**

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## 5 COMPLIANCE REVIEW – STANDING ITEM

AC092	COMPLIANCE AUDIT RETURN 2019
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<b>AGENDA REFERENCE:</b>	<b>D-20-006514</b>
<b>AUTHOR:</b>	<b>M Adam, Governance Coordinator</b>
<b>EXECUTIVE:</b>	<b>P Radalj, Director Corporate and Commercial Services</b>
<b>DATE OF REPORT:</b>	<b>11 January 2019</b>
<b>FILE REFERENCE:</b>	<b>RM/6/0020</b>
<b>ATTACHMENTS:</b>	<b>Yes (x1) Compliance Audit Return 2019</b>

**EXECUTIVE SUMMARY:**

The purpose of this report is to submit the 2019 Compliance Audit Return (CAR) to the Audit Committee for review.

**EXECUTIVE RECOMMENDATION:**

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act RESOLVES to:

1. REVIEW the results of the Compliance Audit Return 2019.
2. REPORT to Council the results of the Audit Committee review of the Compliance Audit Return 2019, at the Ordinary Meeting of Council on 24 March 2020.

**PROPONENT:**

The proponent is the City of Greater Geraldton

**BACKGROUND:**

In accordance with section 7.13(1) of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*, the City is required to complete a Compliance Audit Return in relation to the period 1 January 2019 to 31 December 2019 against the requirements set out in the CAR.

The 2019 CAR continues in a reduced format, with the areas of compliance included restricted to those considered high risk.

**COMMUNITY, ENVIRONMENT, ECONOMY AND GOVERNANCE ISSUES:****Community:**

There are no adverse community impacts.

**Environment:**

There are no adverse environmental impacts.

**Economy:**

There are no adverse economic impacts.

**Governance:**

Review of the Compliance Audit Return by the Audit Committee is a regulatory requirement under the provisions of the *Local Government (Audit) Regulations 1996 r. 14*

**RELEVANT PRECEDENTS:**

The Audit Committee reviewed the 2018 Compliance Audit Return for the City of Greater Geraldton on 12 March 2019, AC080.

**COMMUNITY/COUNCILLOR CONSULTATION:**

There has been no community/councillor consultation.

**LEGISLATIVE/POLICY IMPLICATIONS:**

*Local Government Act 1995 s. 7.13(1)*

*Local Government (Audit) Regulations 1996 r. 14*

**14. Compliance audits by local governments**

- (1) *A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) *After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) *After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —*
  - (a) *presented to the council at a meeting of the council; and*
  - (b) *adopted by the council; and*
  - (c) *recorded in the minutes of the meeting at which it is adopted.*

**FINANCIAL AND RESOURCE IMPLICATIONS:**

There are no financial or resource implications.

**INTEGRATED PLANNING LINKS:**

Title: Governance	Good Governance & Leadership
Strategy 4.5.2	Ensuring finance and governance policies, procedures and activities align with legislative requirements and best practice

**REGIONAL OUTCOMES:**

There are no impacts to regional outcomes.

**RISK MANAGEMENT**

The CAR is a statutory compliance requirement for local governments and requires a review first by the Audit Committee and then a report to Council for adoption before being submitted to the Department of Local Government. The City is required to provide this to the Department prior to 31 March 2020.

The Audit Committee does not have the option not to review the CAR as it would therefore be non-compliant with the *Local Government Act 1995* and associated regulations.

#### **ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS**

No alternatives have been considered.

#### **MOVED Cr Colliver, SECONDED Cr Caudwell**

**That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act RESOLVES to:**

- 1. REVIEW the results of the Compliance Audit Return 2019.**
- 2. REPORT to Council the results of the Audit Committee review of the Compliance Audit Return 2019, at the Ordinary Meeting of Council on 24 March 2020.**
- 3. REPORT to the Audit Committee at their next meeting on instances of tendering non-compliance related to changes to recurrent supply arrangements, collective procurement values and actions taken to address this matter.**

**Carried 4 /0**

## **6 GENERAL BUSINESS**

### Business Continuity - Coronavirus

The Chief Executive Officer provided the Audit Committee with an overview of the of preparations to address the threat of a potential outbreak of cases of the Novel Coronavirus:

- Influenza vaccinations will be offered to City staff.
- Posters have been placed throughout the workplace promoting hygiene (washing hands).
- Novel Coronavirus bulletin with links to Health Department web pages emailed to all staff
- Hand Sanitiser has been provided in the workplace.
- The City has contacted the Health Departments coordinator for Local Government authorities.
- The use of gloves / masks is being investigated.
- The CEO will attend a briefing about the Novel Coronavirus on Friday 6 March 2020.

The City is not a big player in the response to the Novel Coronavirus however there is potential for City services may be interrupted.

## **7 MEETING CLOSURE**

There being no further business the meeting was declared closed at 4pm.