



AGENDA

**AUDIT AND RISK MANAGEMENT
COMMITTEE MEETING**

FRIDAY, 26 AUGUST 2022

Notice is given that the next Audit and Risk Management Committee Meeting of Tiwi Islands Regional Council will be held on:

- Friday, 26 August 2022 at
- TBA
- Commencing at 10.30am

Your attendance at the meeting will be appreciated.

Bala Donepudi
Interim Chief Executive Officer

AGENDA

1 WELCOME & APOLOGIES

- 1.1 WELCOME
- 1.2 PRESENT
- 1.3 APOLOGIES
- 1.4 LEAVE OF ABSENCE
- 1.5 DECLARATION OF INTEREST OF MEMBERS OR STAFF

2 CONFIRMATION OF PREVIOUS MINUTES

Please note Previous Minutes in working process.

3 GENERAL BUSINESS

Nil

4 REPORTS FOR INFORMATION

- 4.1 REGIONAL PLAN AND BUDGET 2022/2023..... 3
- 4.2 RISK REGISTER – UPDATE AND RECOMMENDATION 4

5 CONFIDENTIAL ITEMS

- 5.1 INTERIM AUDIT UPDATE

The report will be dealt with under Section 65(2) (ciii) of the Local Government Act 2008 and Regulation 8 of the Local Government (Administration) Regulations 2008. It contains information that would, if publicly disclosed, be likely to prejudice the interests of council or some other person (Discuss the progress of senior officer in the portfolio of Infrastructure.).

REPORTS FOR INFORMATION

ITEM NUMBER	4.1
TITLE	Regional Plan and Budget 2022/2023
REFERENCE	244135
AUTHOR	Bala Donepudi, Interim Chief Executive Officer



This report includes the TIRC Regional Plan and Budget 2022/23 which is being prepared for the financial year ahead.

TIRC is required to develop a Regional Plan under the Local Government Act section 23.

BACKGROUND

Council is required by Part 3.3 of the Local Government Act 2019 to develop and adopt a Regional Plan for each coming financial year.

The draft Regional Plan was compiled in accordance with applicable law and was put out to Public consultation for a period of no less than three (3) weeks in accordance with s35 (3) of The Local Government Act 2019. This included advertising of the draft document and Seeking feedback on Council's website, social media as well as an advertisement placed in The Northern Territory News public notices section.

ISSUES/OPTIONS/CONSEQUENCES

This is a legal requirement for all Councils to submit a plan for each financial year.

At the May Ordinary Council Meeting held on 26 May 2022 Council approved that the draft 2022-23 Regional Plan be made accessible on council's website and made available at council's public offices. A notice was published seeking written submissions on the draft Regional Plan. The public consultation period commenced on 6 June 2022 and ceased 28 June 2022.

The Regional Plan will be distributed separately due to its large file size

CONSULTATION & TIMING

Reports were tabled at each local authority addressing TIRC Service Deliveries and their priorities for each directorates.

RECOMMENDATION:

That Committee receive and note the 2022-23 Regional Plan.

ATTACHMENTS:

There are no attachments for this report.

REPORTS FOR INFORMATION

ITEM NUMBER	4.2
TITLE	Risk Register – Update and Recommendation
REFERENCE	244136
AUTHOR	Bala Donepudi, Interim Chief Executive Officer

**BACKGROUND**

At the Audit and Risk Committee (ARMC) meeting held on 17th May 2019, the ARMC recommended that Council consider the preparation of a Risk Register and further recommended that Council appoint an external consultant to conduct a review and prepare the document.

David Howie, managing Partner of KPMG has been hired by the council to prepare the TIRC Risk Register. David have carried out an in-depth analysis of the council operations, He has held several meeting the Chief financial officer and the chief executive officer about the risks facing the organisation .All TIRC managers were given a questionnaire to capture on the risks that face individual business unit .

A comprehensive risk register is Prepared based on the inputs received from all the stakeholders. As per the attached register TIRC faces nine key risks. They include

1. Be Financially Sustainable
2. Prevent, detect & appropriately respond to fraud and misconduct
3. Design and implement appropriate governance
4. Comply with key regulatory requirements
5. Strategically manage its service asset portfolio
6. Protect Safety & Well-being for its staff & Public
7. Attract ,retain & Develop key staff
8. Restore to BAU after events interrupting business continuity
9. Effectively attract, govern and deliver grants programs.

KPMG members consulted widely with all the managers to prepare the attached risk register

ISSUES/OPTIONS/CONSEQUENCES

N/A

CONSULTATION & TIMING

N/A

RECOMMENDATION:

That the Committee receive and note the report for information.

ATTACHMENTS:

- 1 TIRC Risk Register DRAFT.pdf



Area Risk Registers

August 2022

Tiwi Islands Regional Council has a Strategic Risk Management Framework that considers risks from a whole of Council perspective. These whole of Council risks are documented in Council's Strategic Risk Register which are periodically reviewed and reported on.

To help Council further manage its risks, risk registers are also prepared for several key operational areas identified by Council.

This document outlines the Area Risk Registers.



Strategic Risk Management
August 2022

Airport Operations			
Key Considerations	<p>Airport operations: Council has responsibility for operating the three airports on the Tiwai Islands (Bathurst Island, Garden Point, and Snake Bay Airports). Inbound and outbound flights are operated by private airlines.</p>		
What key things must go right?	<ul style="list-style-type: none"> i. Provide a safe airstrip for arriving and departing airlines ii. Protect the airstrip boundary from incursions (animals) iii. Comply with Civil Aviation Safety Authority (CASA) regulations 		
	Controls	Key responsible person	Control details
<p>What do we do to ensure the key things go right?</p> <p>How can we better manage the risks?</p>	<p>Most Critical Controls:</p> <ul style="list-style-type: none"> • Airport perimeter fencing and monitoring • Airstrip maintenance planning • Airstrip inspections • Airport Management Plan <p>Other Controls:</p> <ul style="list-style-type: none"> • Annual budget 	<ul style="list-style-type: none"> Airport Reporting Officer (ARO) Infrastructure co-ordinator ARO Infrastructure Co-ordinator CFO/ Infrastructure Co-ordinator 	<ul style="list-style-type: none"> • Perimeter fencing is installed around all airstrips to help prevent unauthorised access (including animal incursions) that could impact the safety of airlines arriving or departing. • Condition of fencing inspected daily. • Asset Management Plan outlines the maintenance schedule and major capital expenditure over the life of the airstrip. • The airstrip is inspected after the arrival or departure of each airline. • The Airport Management Plan outlines all operational requirements to guide staff and is reviewed annually. • The annual budget outlines the proposed income and expenditure that is fully funded for the year. The budget includes capex for reseals dependent on the grant funding.
	<p>Action</p> <p>Priority Opportunities:</p> <ul style="list-style-type: none"> • Remove obstacles within Obstacle Limitation Surface • General ARO training for all AROs • Train staff on the Airport Management Plan <p>Aspirational Opportunities:</p> <ul style="list-style-type: none"> • Replace damaged fence/line 	<p>Responsible Person</p> <ul style="list-style-type: none"> Infrastructure Co-ordinator HR Manager Airport Reporting Officer Airport Reporting Officer Infrastructure Co-ordinator 	<p>Target Date</p> <ul style="list-style-type: none"> June 2023 June 2023 June 2023 June 2023

Inter-Island Ferry Operations			
Key Considerations	Inter-island ferry operations: Council is responsible for operating the ferry to connect people, goods and vehicles between Melville and Bathurst Islands from Wurrumiyanga.		
What key things must go right?	<ul style="list-style-type: none"> i. Provide safe transport for vehicles, goods and people ii. Provide continuity of service iii. Comply with regulations 		
	Controls	Key responsible person	Control details
What do we do to ensure the key things go right?	Most Critical Controls:		
	<ul style="list-style-type: none"> Vessel safety management system (designed by Australian Maritime Safety Authority) 	CEO	<ul style="list-style-type: none"> Vessel Safety Management System has a risk register in place, and is approved by AMSA.
	<ul style="list-style-type: none"> Ferry operator licences and accreditations 	Master	<ul style="list-style-type: none"> Licence and accreditation renewal register. Audit of licence and accreditations performed annually.
	<ul style="list-style-type: none"> Ferry maintenance planning 	Master	<ul style="list-style-type: none"> Maintenance Plan and schedule for ferry maintenance on a regular basis. Review of maintenance schedule to ensure maintenance is conducted in a timely manner.
	<ul style="list-style-type: none"> Ferry inspections 	Master	<ul style="list-style-type: none"> Inspections of all critical functions of ferry operations on a regular basis.
	<ul style="list-style-type: none"> Re-fuelling safety procedures in place 	Master	<ul style="list-style-type: none"> Procedures to ensure refuelling of the ferry are conducted safely to prevent any safety incidents.
	<ul style="list-style-type: none"> Fuel management 	Master	<ul style="list-style-type: none"> Procedures to ensure sufficient supply and stores of fuel are available to maintain ferry operations on a continuous basis.
	<ul style="list-style-type: none"> Annual review of ferry fees charged to customers 	Boat Shed Coordinator	<ul style="list-style-type: none"> The ferry fees charged to customers is reviewed annually taking into consideration increase in fuel costs.
	<ul style="list-style-type: none"> Fuel is stored separately in a secure location 	Fleet Manager	<ul style="list-style-type: none"> Fuel is stored separately in the fuel port and is locked in a caged container to ensure restricted access.
	Other Controls:		
<ul style="list-style-type: none"> Training 	Human Resources	<ul style="list-style-type: none"> Ongoing training to staff to operate and drive the ferry. 	
<ul style="list-style-type: none"> Annual budget 	CFO/Master	<ul style="list-style-type: none"> Outlining proposed income and expenditure that is fully funded to achieve operating financial result for area. 	
Action		Responsible Person	Target Date
Priority Opportunities:			
<ul style="list-style-type: none"> Update the Vessel Safety Management System risk register to include controls. 	Infrastructure Manager	June 2023	
<ul style="list-style-type: none"> Checks and reconciliations for fuel used. 	Fleet Manager	June 2023	
How can we better manage the risks?			



Strategic Risk Management
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	<ul style="list-style-type: none"> Incident response plan for incidents. 	Fleet Manager	June 2023
Aspirational Opportunities:			

Infrastructure Asset Management			
Key Considerations	<p>Infrastructure Asset Management: Council has responsibility for provision of fit for purpose infrastructure assets for community use (roads, parks, recreation grounds, fleet, leased-out machinery, etc). [Note Ferry and aerodrome covered by other separate risk]</p>		
What key things must go right?	<ul style="list-style-type: none"> i. Provide infrastructure assets that are fit for purpose and in safe working order ii. Plan to support future growth and community needs through infrastructure assets iii. Provide continuity of services through infrastructure assets iv. Comply with regulations, such as building codes, Australian building standards, aerodrome standards, maritime standards, etc 		
	Controls	Key responsible person	Control details
<p>What do we do to ensure the key things go right?</p>	Most Critical Controls:		
	<ul style="list-style-type: none"> Infrastructure Asset Strategy and Infrastructure Asset Management Plans 	CEO, CFO, Services, Fleet Manager, Infrastructure Manager	<ul style="list-style-type: none"> IAS encompasses all assets. Asset Management Plan (AMP) reviewed annually outlines maintenance schedule and major capital expenditure for the useful life of infrastructure assets.
	<ul style="list-style-type: none"> Condition assessment program for assets 	CEO, Services, Fleet Manager, Infrastructure Manager	<ul style="list-style-type: none"> The AMP outlines all operational requirements to guide operating staff and is reviewed annual. The AMP includes the process for raising tickets with the Infrastructure Team when issues arise.
	<ul style="list-style-type: none"> Asset Maintenance Program 	CEO, CFO, Services, Fleet Manager, Infrastructure Manager	<ul style="list-style-type: none"> Maintenance schedule outlining the frequency of maintenance on assets.
	<ul style="list-style-type: none"> Capex Budget 	CEO, CFO, Services, Fleet Manager, Infrastructure Manager	<ul style="list-style-type: none"> Annual budget for capital expenditure that is fully funded.
	Other Controls:		
<ul style="list-style-type: none"> Compliance Register 	CEO, CFO, Services, Fleet Manager, Infrastructure Manager	<ul style="list-style-type: none"> Compliance register outlines key compliance requirements and how TIRC complies with and monitors compliance. 	
<ul style="list-style-type: none"> Long-term financial plan (LTFP) 	CFO	<ul style="list-style-type: none"> Four-year plan outlining income and expenditure and cash position. 	
<ul style="list-style-type: none"> Annual budget 	CEO, CFO, Services, Fleet Manager, Infrastructure Manager	<ul style="list-style-type: none"> Outlining proposed income and expenditure that is fully funded. 	
Action		Responsible Person	Target Date
Priority Opportunities:			
<ul style="list-style-type: none"> 5 Year IAS strategy 	Infrastructure Manager	June 2023	

Workplace Health & Safety		Workplace Health & Safety : Council has responsibility for the provision of a safe working environment for its people.	
Key Considerations			
What key things must go right?	<ul style="list-style-type: none"> i. Compliance with WHS regulations ii. Provision of safe work environment iii. Risk assess activities iv. Incident reporting and escalation of WHS incidents 		
	<p>Controls</p> <p>Most Critical Controls:</p> <ul style="list-style-type: none"> ▪ Hazard inspections ▪ Workplace Health and Safety (WHS) Risk Register ▪ Workplace Health and Safety (WHS) Policies ▪ Risk assessment – Equipment risk assessments ▪ Workplace Health and Safety (WHS) reporting ▪ Incident Investigations ▪ Workplace Health and Safety (WHS) Committee <p>Other Controls:</p>	<p>Key responsible person</p> <ul style="list-style-type: none"> Harsha Wijesinghe/Human Resources Manager 	<p>Control details</p> <ul style="list-style-type: none"> ▪ Regular hazard inspections of the TIRC environment ▪ A comprehensive risk register detailing all WHS risks associated with the operations and activities of the TIRC and associated controls. ▪ Documented WHS policies and procedures ▪ Safe work procedures for specific TIRC activities ▪ Risk assessments of newly purchased equipment ▪ Risk assessments for any change to work processes ▪ Hazard, injury, incident, near miss reporting procedures ▪ Incident investigations (at the direction of the CEO) ▪ Monitoring and oversight of WHS at Council
How can we better manage the risks?	<p>Action</p> <p>Priority Opportunities:</p> <ul style="list-style-type: none"> ▪ Workplace Health and Safety (WHS) Committee for the monitoring and oversight of WHS at Council <p>Aspirational Opportunities:</p> <ul style="list-style-type: none"> ▪ Safety Representatives and Safety officer carrying out safety checks, including training and accreditations ▪ WHS Training 	<p>Responsible Person</p> <ul style="list-style-type: none"> Human Resources Manager Human Resources Manager Human Resources Manager 	<p>Target Date</p> <ul style="list-style-type: none"> June 2023 June 2023 June 2023

Key Considerations		Finance : Council has responsibility to allocate its scarce financial resources to optimise service delivery in a sustainable way		
What key things must go right?	<p> i. Council must be able to pay its debts as and when they fall due (going concern) into the foreseeable future ii. Prevent and detect misappropriation of financial resources through fraud and misconduct iii. Allocate and expend its financial resources in a commercially prudent manner expected of a public sector organisation iv. Develop and execute short/long-term financial plans to fund the operations and capital requirements to meet service delivery expectations v. The right operating assets at the right time in the right condition to deliver services </p>			
		<p>Controls</p> <p>Most Critical Controls:</p> <ul style="list-style-type: none"> Long Term Financial Plan Financial Monitoring Funding arrangements Budget and forecast Cash management – liquidity review Asset management <p>Other Controls:</p> <ul style="list-style-type: none"> Insurance Delegations of authority 		
How can we better manage the risks?	<p>What do we do to ensure the key things go right?</p>	<p>Key responsible person</p> <p>Control details</p> <ul style="list-style-type: none"> Forecast of financing for the next 3 years which includes the grant funding received. Financial Reporting every month which monitors actual v budget/forecast and investigates variances Access to and monitoring of funding arrangements. Dedicated grants coordinator. Reporting on acquittals. Annual budgeting and review with forecasts during the year. Twice a year. Guidance on cash management, access to funding sources, and controls over incoming and outgoing cash to ensure Council is a going concern. Monthly cash reconciliations. Ratio considerations in monthly reporting. Processes to manage the acquisition, maintenance, security, insurance, and disposal of operating assets used to deliver services 		
		<p>Action</p> <p>Priority Opportunities:</p> <ul style="list-style-type: none"> Uninsured risk register <p>Aspirational Opportunities:</p> <ul style="list-style-type: none"> Financial Reserves Policy- which provides guidance on financial reserves and maintaining these as funded. 		
		Responsible Person	Target Date	
		CFO	June 2023	
		CFO	June 2023	
		CFO	June 2023	

Community Services		Key Considerations	Community Services: Council has the responsibility to plan and deliver appropriate services to the community
What key things must go right?	<ul style="list-style-type: none"> i. Provide services within the scope of council responsibilities to an appropriate standard ii. Appropriate complaints management iii. Compliance with Commonwealth and Northern Territory legislation 		
What do we do to ensure the key things go right?	<p>Controls</p> <p>Most Critical Controls:</p> <ul style="list-style-type: none"> Service delivery standards Complaints Management Policy Stakeholder Engagement Indigenous Staff retention and Training <p>Other Controls:</p> <ul style="list-style-type: none"> Compliance Register 	<p>Key responsible person</p> <ul style="list-style-type: none"> Manager Community Engagement, Community Safety Coordinator, Youth Diversion Coordinator, Staff HR Manager, Manager Community Engagement Manager Community Engagement, Community Safety Coordinator, Youth Diversion Coordinator, Manager Community Engagement, Grants Coordinator Manager Community Engagement, Community Safety Coordinator, Youth Diversion Coordinator. 	<p>Control details</p> <ul style="list-style-type: none"> Reporting and review of service delivery against Operational Frameworks and Project Schedules. Regular Staff meetings Annual Work Plans Guidance on how to appropriately respond to and resolve complaints received Surveys and feedback from external stakeholders for performance on delivery of services and program requirements. Coordination of Monthly Stakeholder Meetings Goals to achieve targets of minimum of 80% Indigenous staff employed, source appropriate formal training for 100% of staff. Compliance Register outlining key compliance requirements of service delivery and how TIRC complies with these and monitors compliance.
How can we better manage the risks?	<p>Action</p> <p>Priority Opportunities:</p> <ul style="list-style-type: none"> Source funding and build Vehicle Garages for the security of Night Patrol Vehicles at Wurumiyanga Annual Work Plans and Restructuring Night Patrol services to fit with the current community environment Lessons learnt processes and documentation for complaints reviewed <p>Aspirational Opportunities:</p> <ul style="list-style-type: none"> Implement a Training and Development regime for all Community Engagement staff 	<p>Responsible Person</p> <ul style="list-style-type: none"> CFO, Manager Community Engagement Manager Community Engagement, Community Safety Coordinator, Youth Diversion Coordinator, CFO, Manager Community Engagement HR Manager, Manager Community Engagement 	<p>Target Date</p> <ul style="list-style-type: none"> 30 September 2022 30 September 2022 30 September 2022 30 September 2022

Town Services		Key Considerations	Town Services: Council has the responsibility to appropriately provide town services (rubbish collection, roads repairs and maintenance, parks and gardens maintenance, etc)
What key things must go right?	<ul style="list-style-type: none"> i. Provide services within the scope of council responsibilities to an appropriate standard ii. Appropriate complaints management iii. Compliance with Legislation 		
What do we do to ensure the key things go right?	<p>Controls</p> <p>Most Critical Controls:</p> <ul style="list-style-type: none"> ▪ Daily waste collection ▪ Community Mowing ▪ Management of 3x waste facilities ▪ Management of 7 outstations ▪ Management of internal and external roads <p>Other Controls:</p>	<p>Key responsible person</p> <ul style="list-style-type: none"> Town Services Manager 	<p>Control details</p> <ul style="list-style-type: none"> ▪ Daily toolbox meetings/Job Cards ▪ Daily toolbox meetings/ Job Cards ▪ Maintenance as required ▪ Job Cards ▪ Funding guidelines/Job Cards ▪ Infrastructure Manager maintains a list of all tasks to be performed and allocates tasks on a daily basis.
How can we better manage the risks?	<p>Action</p> <p>Priority Opportunities:</p> <ul style="list-style-type: none"> ▪ Staff Training – Staff currently have no qualifications ▪ Public Safety risk register <p>Aspirational Opportunities:</p> <p>Purchase vehicles and equipment needed to do the job and hire more staff to support TSM</p>	<p>Responsible Person</p> <ul style="list-style-type: none"> HR Manager CEO 	<p>Target Date</p> <ul style="list-style-type: none"> June 2023 June 2023
		Finance	June 2023

