



Shire of
Serpentine
Jarrahdale

Audit, Risk and Governance Committee Meeting

Agenda

Monday, 23 May 2022

5:30pm

Contact Us

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In Person

Shire of Serpentine Jarrahdale

6 Paterson Street, Mundijong WA 6123

Open Monday to Friday 8.30am-5pm (closed public holidays)



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Dear Committee Member

At the 11 April 2022 Ordinary Council Meeting, Council resolved to return to in-person Council and Committee meetings commencing with the 16 May 2022 Ordinary Council Meeting.

An Audit, Risk and Governance Committee Meeting of the Shire of Serpentine Jarrahdale will be held on Monday, 23 May 2022 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong – commencing at 5:30pm.

A handwritten signature in blue ink, appearing to read 'Paul Martin', enclosed within a blue oval.

Paul Martin

Chief Executive Officer

13 May 2022

Agenda

- 1. Attendances and apologies (including leave of absence)**
- 2. Petitions and deputations:**
- 3. Declaration of Councillors and Officer's interest:**
- 4. Receipt of minutes or reports and consideration of adoption of recommendations from Committee meetings held since the previous Council meetings:**
 - 4.1 Minutes of previous Audit, Risk and Governance Committee Meetings:**
 - 4.1.1 - Audit, Risk and Governance Committee Meeting – 28 February 2022**

That the minutes of the Audit, Risk and Governance Committee Meeting held on 28 February 2022 be CONFIRMED (E22/2644).



5. Reports for consideration:

5.1 Reports:

5.1.1 – Strategic Risk Register Quarterly Review Report – May 2022 (SJ2881)	
Responsible Officer:	Manager Governance and Strategy
Senior Officer:	Director Corporate Services
Disclosure of Officers Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Information	For the Council / Committee to note.
Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.

Report Purpose

The purpose of this report is to provide the Audit, Risk and Governance Committee (the Committee) an overview of the quarterly review undertaken on the Shire's Strategic Risk Register and provide the Committee with the updated Strategic Risk Register for recommendation to Council for endorsement.

Relevant Previous Decisions of Council

Ordinary Council Meeting – 21 March 2022 – OCM037/03/22 - COUNCIL RESOLUTION - extract

4. ADOPTS Audit, Risk and Governance Committee Resolution ARG008/02/22 and NOTES the Strategic Risk Register Review as contained within this paper; and ENDORSES the updated Strategic Risk Register as contained within attachment 1.

Background

Risk Management is a framework of culture, processes and structures directed towards the effective management of risk. This includes consideration of both potential opportunities and adverse effects on existing operations. As all actions and transactions involve risk, effective Risk Management involves the anticipating, understanding and monitoring of risk. It contributes to good corporate governance by providing reasonable assurance to Council, Executive Management and the community that the organisational objectives will be achieved within a tolerable degree of residual risk.



In September 2020, Council, on recommendation from the Committee, endorsed the Shire's new Strategic Risk Register and approved the revised Council Policy Risk Management (OCM281/09/20). These are important achievements towards improving the risk management processes at the Shire as they provide a mechanism for Shire executives to manage risk at a strategic level and an avenue for the Committee and Council to monitor strategic risk through quarterly reporting.

Community / Stakeholder Consultation

Nil.

Statutory Environment

Regulation 17 of the *Local Government (Audit) Regulations 1996* (WA) ('the Regulations') require the CEO to review the appropriateness and effectiveness of the Shire's systems and processes in relation risk management, internal control and legislative compliance (r. 17(1)). The review may include any or all of the abovementioned matters (r. 17(2)) and the results of any review must be reported to the Shire's Audit, Risk and Governance Committee (r. 17(3)). Each matter must be the subject of a review not less than once in every 3 financial years (r. 17(2)).

The most recent review of risk management was completed by the Shire in the 2021-22 financial year and considered by the Committee at its February 2022 meeting. The next review is due no later than 30 June 2025.

Comment

Strategic Risk Register Quarterly Review – May 2022

In accordance with Council Policy Risk Management, the Executive Management Group reviewed the Strategic Risk Register. Following this, Officers have prepared the following quarterly report for the Committee's noting. Committee members and Councillors agreed to the structure of this report at the Strategic Workshop held 4 November 2020.

Strategic Risk Register Quarterly Review – May 2022

1. Changes to Risk Ratings

All risk ratings were determined as accurate.

2. New and Emerging Risks

Nil.

3. Updates to Risk Mitigation Strategies

Actions complete and moved to controls

Risk 5 (Organisational Efficiency)

- Action 1 – *Automation and improvement of Asset module within OneComm*. The work to enable the entry of asset data into the ERP more efficiently has been achieved by amending the process, to incorporate strategic asset data within the Geographical Information System (GIS). This has improved the processing efficiencies by more than seventy percent and nullified possible errors due to



multiple bulk updates. This new process has been added as Control 11. The remaining work to be undertaken under the Asset Maturity Project remain on Risk 8 – Asset Management.

Risk 8 (Asset Management)

- The following actions completed so far under the Shire's Asset Maturity Project have been listed as controls:
 - Control 11 – Data Processing Efficiencies – Geographical Information System
 - Control 12 - New Building Component Structure to inform building data
 - Control 13 – Validation process for gifted and capital works assets
- *Action 6 - Implement a process for the acceptance of state government land management orders to ensure these reserves are adequately maintained is complete and added as control 14.*
- *Action 7 - Implement a process for transfer of asset information from developers to Shire's Operations Team to ensure maintenance of parks and gardens are appropriately resourced at time of handover is complete and added as control 15.*

Risk 12 (Desirable Place – Economy)

- *Action 3 - Design and Implementation Plan for the Mounts Track Loop is complete and added as control 22.*

Risk 14 (Emergency Management)

- *Action 7 - Review internal processes for managing COVID risk in the workplace including the Council Policy. Continue to amend processes as matters progress is complete and the following controls have been listed:*
 - Control 12 - COVID-19 Business Operating Procedures - Vaccinations (E22/1430), Minimising Risk in the Workplace (E22/1821), Managing Infection in the Workplace (E22/1808), Meeting Screening Questionnaire (E22/1641), Contractors Business Operating Procedure (E22/1945)
 - Control 13 - COVID-19 Health and Safety Risk Assessment
 - Control 14 - COVID-19 Communications Plan
- Despite these additional controls being complete, the risk level remains significant from a business continuity perspective at this review date due to the recent relaxation of COVID-19 restrictions by the State Government.

Risk 15 (Employee Work Health and Safety)

- *Action 4 - Undertake recommended due diligence for bush fire brigade volunteers in light of upcoming WHS reforms is complete and added as Control 12. The report on WHS Reforms as it related to the Bushfire Brigades that was provided to the Committee in February 2022 was supported by Council at the March Ordinary Council Meeting.*

Actions amended



Risk 1 (Culture)

- Action 1 – *Implement the Talent and Succession OneComm Modules* **due date** amended to 'tba' (was 30 June 2022 and 30 April 2023) and **status** for part 2 amended to 'In Progress' (was Not Started). Work is underway to begin implementing the talent and succession modules within OneComm however the scoping and configuration of the system is more complex than initially thought. Work is currently underway to determine the full extent of resources required in order to implement the modules to meet business needs. Revised target dates will be set by the next Committee meeting.

Risk 3 (Financial Sustainability)

- Action 1 – *Progress developer contribution plans (DCP's for Byford and Mundijong - amendment schemes 208 and 209)* **due date** amended to 30 June 2022 (was 30 April 2022). The Shire is still awaiting approval of these plans by the WA Planning Commission (endorsed by Council in November 2020).

Risk 4 (Organisational Capability)

- Action 1 - *Finalisation of scheme no. 3* **due date** amended to 31 December 2022 (was 30 June 2022). The Shire is still awaiting approval of the scheme by the WA Planning Commission (endorsed by Council in June 2020).
- Action 4 - *Finalise developer contribution plans for Byford and Mundijong* **due date** amended to 30 June 2022 (was 30 April 2022). The Shire is still awaiting approval of these plans by the WA Planning Commission (endorsed by Council in November 2020).

Risk 5 (Organisational Efficiency)

- Action 4 - *Policy/procedure review schedule and process across the Shire including consideration of a document control system* **description** amended to 'Policy/procedure review schedule and process across the Shire'. Consideration of a document control system will be undertaken during phase three of the OneComm project through the implementation of the Enterprise Content Management module. A new action to this effect has been added (see New actions below).

Risk 6 (Bush fire management)

- Action 12 - *Preparation of a Register of Properties where an incident must be responded to by career Fire Officers, with a report on the matter being presented to Council* **due date** amended to 31 July 2022 (was 30 April 2022). Officers are in the process of researching this matter and obtaining legal advice in order to prepare a Council report for the July 2022 Ordinary Council Meeting.

Risk 7 (Environment Sustainability)

- Action 8 - *Investigate use of recycled material for road construction* **status** amended to 'In Progress' (was Not Started).
- Action 9 - *In relation to bauxite mining within the State forest surrounds of Jarrahdale, respond to environmental impact assessment once released for public comment* **due date** amended to 30 September 2022 (was 30 June 2022). The assessment has not yet been released by the State Government.



Risk 8 (Asset management)

- Action 2 - *Undertake Asset Rationalisation* **removed**. As outlined in the mid-year budget review and corporate business plan performance report provided to Council at the March Ordinary Council Meeting, this project is deferred to align with resourcing availability and organisational priorities. The project has been removed from the Budget and Corporate Business Plan and will be reconsidered for delivery in 2023-2024.
- Action 3 - *Develop a Bridge Asset Register and Management Plan* and Action 4 - *Begin implementing the condition survey program for each asset class* **due date** amended to 30 June 2024 (was 30 June 2022). These actions are intrinsically linked and dependant on completing the Asset Maturity Project (due 30 December 2023). As such, the due dates are amended to better align with the timing of the Asset Maturity Project and to provide greater assurance that they are undertaken to add value and purpose. Additionally, the recruitment for an Assets Business Systems Analyst has not been successful placing strain on organisational capacity to commence additional work in this area.

Risk 9 (Partnerships / alliances)

- Action 2 - *As part of the Major Strategic Review, canvas the community's view in building greater alliances north and west of the metro area* **due date** amended to 'tba' (was 30 June 2022). At the March Ordinary Council Meeting, Council resolved to defer the major review until the Department issue the new guidelines. The timing of the project will be considered through the 2022-23 Corporate business Plan and budget setting process.

Risk 11 (Community Engagement)

- Action 3 - *Consult with Council to ascertain mitigation strategies for the community engagement risk and detail these on the register once known* **due date** amended to '30 September 2022' (was 30 June 2022). Resources within the Community and Organisational Development Directorate are consumed by other priority projects such as the management and response to the impacts of COVID-19 on the organisation, the Keirnan Park Recreation Precinct, the Library Re-Location and the Mobile Library Service.

Risk 12 (Desirable place - Economy)

- Action 3 - *Masterplan for Equine Trails* **due date** amended to 31 July 2022 (was 31 March 2022). Consultation is underway with DBCA based on community feedback regarding access to trails.
- Action 7 - *Heritage Park Business Case* **due date** amended to 30 November 2022 (was 30 June 2022). During the reporting period Officers have been working on collating the costings to inform the consultant brief. There is a high level of complexity and dependency associated with stakeholders which is likely to extend the timeframe of this project. At this stage it is estimated the brief will be released in September, for work to be completed by the end of November 2022.
- Action 8 - *Jarrahdale Equine Trails Network Concept Plan* **due date** amended to 30 June 2022 (was 31 March 2022). The final draft has been received from DBCA,



however DBCA wish to confirm costing associated with the concept. Once confirmed Officers intend to present to Council in June 2022.

- Action 10 - *Investigate the commercial feasibility of developing LOT 814, Jarrahdale to support the Jarrahdale Trail Town Initiative* **due date** amended to 30 September 2022 (was 30 June 2022) and the **status** updated to 'In Progress' (was Not Started). At the March Ordinary Council Meeting, Council agreed to progress the project and the previous Expression of Interest process for Lot 814 was closed out at the April Ordinary Council Meeting.

Risk 13 (Desirable place - Vibrant community in a rural setting)

- Action 2 - *Develop a Community Activation Strategy and action plan* **due date** amended to 31 December 2022 (was 30 June 2022). Officers have selected the preferred consultant for development of the Community Activation Strategy. To allow for the release of new census data (which will inform the specific make up and demographics of our community, as well as any new or emerging trends), the timeframe for delivery of this project is now likely to be by the end of December 2022. By incorporating new census data, the document will contain the most up to date supporting information to maintain relevance and applicability over the intended 3-year life of the strategy.

Risk 15 (Employee Work Health and Safety)

- Action 4 - *Review Work Health and Safety review and gap analysis with OSH Committee and Executive Management Group to determine final actions, resources and planning. Present the findings to Council and place final actions on the risk register* **due date** amended to 30 June 2022 (was 30 April 2022). The report on the WHS analysis will be presented to the Committee at its May 2022 meeting, and subsequently considered by Council at the June 2022 Ordinary Council meeting.

New actions

Risk 5 (Organisational Efficiency)

- Action 5 - *Implement Enterprise Content Management* due February 2023.

Risk 7 (Environment Sustainability)

- Action 10 - *Present a report to Council on climate change in accordance with OCM039/03/22* due 30 June 2022.

4. Other

Nil.

The updated Strategic Risk Register incorporating the amendments from the above review is contained within **attachment 1**.



Options and Implications

Option 1

The Committee recommend Council:

1. NOTES the Strategic Risk Register Review as contained within this paper.
2. ENDORSES the updated Strategic Risk Register as contained within **attachment 1**.

Option 2

The Committee recommend Council:

1. DOES NOT NOTE the Strategic Risk Register Review as contained within this paper.
2. DOES NOT ENDORSE the updated Strategic Risk Register as contained within **attachment 1**.

Option 3

The Committee recommend Council:

1. NOTES the Strategic Risk Register Review as contained within this paper.
2. REQUESTS that the CEO make revisions as specified by the Committee to the Strategic Risk Register.

Option 1 is recommended.

Conclusion

The ongoing reporting and monitoring of Strategic Risk provides assurance to the Committee and Council that the register is being monitored and mitigation actions are underway. It is also a key tool in supporting the Committee's and Council's responsibilities pertaining to risk management.

Progress this quarter towards the mitigation actions on the risk register is again substantial, with 6 actions complete resulting in 10 new controls. It is acknowledged however that several mitigation actions have had their due dates amended this quarter. Similarly, to the information provided in the latest Corporate Business Plan Performance report, this is primarily due to the following:

1. The management and response across the Organisation, but in particular, in the Community and Organisational Development Directorate, to manage the impacts of COVID-19 on the Organisation.
2. Significant challenges in recruiting staff in a tight and competitive labour market.

Attachments (available under separate cover)

- **5.1.1 - attachment 1 – Strategic Risk Register (E20/8711)**
- **5.1.1 – attachment 2 - Strategic Risk Register – Tracked Changes (E22/5932)**



Alignment with our Strategic Community Plan

Outcome 4.1	A resilient, efficient and effective organisation
Strategy 4.1.1	Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources
Outcome 4.2	A strategically focused Council
Strategy 4.2.2	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions
Strategy 4.2.3	Provide clear strategic direction to the administration

Financial Implications

There are no financial implications associated with this report. The recommendation of additional or amended risks or controls by the Committee may be financial implications for Council to consider.

Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no significant risks associated with this option.						
2	If the Committee recommend Council DO NOT note this report or endorse the updated register <u>without reason</u> , then there is a risk the committee will be seen as non-compliant with its responsibility to monitor risk and support Council. This could lead to impacts on	Nil.	Organisational Performance	Rare	Insignificant	LOW	Nil.



	organisational performance as specialist input is not obtained.						
3	If the Committee recommends revision to the register, these may not be informed by sufficient operational information.	Nil.	Organisational Performance	Rare	Insignificant	LOW	Nil.

Voting Requirements: Simple Majority

Officer Recommendation

That the Audit, Risk and Governance Committee recommends that Council:

- 1. NOTES the Strategic Risk Register Review as contained within this paper.**
- 2. ENDORSES the updated Strategic Risk Register as contained within attachment 1.**



5.1.2 – Consideration to review Risk Appetite (SJ2881)	
Responsible Officer:	Manager Governance and Strategy
Senior Officer:	Director Corporate Services
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i>

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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Report Purpose

The purpose of this report is to enable the Committee to consider reviewing Council's risk appetite.

Relevant Previous Decisions of Council

<i>Ordinary Council Meeting – 21 March 2022 – OCM037/03/22– Council Resolution – extract</i>	
3.	<i>ADOPTS Audit, Risk and Governance Committee Resolution ARG007/02/22 and NOTES the results of the reviews conducted in accordance with Regulation 5 of the Local Government (Financial Management) Regulations 1996 and Regulation 17 of the Local Government (Audit) Regulations 1996; ADOPTS the actions to be taken in response to the Regulation 5 and Regulation 17 reviews as contained within the audit reports at attachment 1 and 2 respectively; and REQUESTS the CEO provide the Audit, Risk and Governance Committee an update on the implementation of the actions at its November 2022 Committee Meeting.</i>

Background

In May 2022, the Committee was provided with the Regulation 17 review completed in accordance with the *Local Government (Financial Management) Regulations 1996* and *Local Government (Audit) Regulations 1996*. The review considered the appropriateness and effectiveness of the Shire's systems and procedures as it pertained to risk management and found that overall, appropriate processes are in place and operational.

The review noted that the 'Areas of Strength' for risk management at the Shire are:

- An effective risk management framework which includes service plan risks, a risk policy and strategic risk register in place.
- The risk management framework is based on the principles of the current Australian and International Standards on Risk Management (AS/NZ ISO 31000), second edition (02/2018);
- A quarterly review report of the Shire's "*Strategic Risk Register*" is considered by



the ARG Committee;

- Service Team Plans were introduced in 2020/21 and the content continues to be improved;
- An “Enterprise Risk Management – Continuous Improvement Plan” which provides a roadmap to *“further embed and strengthen risk management at the Shire of Serpentine Jarrahdale.”*
- A Business Continuity Plan exists which applies practical experience gained during Covid-19 lockdowns; and
- The Shire has obtained comprehensive insurance cover for 2021-2022.
- The findings of the review also identified an area for improvement related to the Shire’s application of its Risk Appetite Statements as follows:
- Identified service plan risks are not managed appropriately in line with risk appetite and mitigation strategies may not be in place.
- Resource to manage risks may not be allocated appropriately in relation to risk appetite.

These findings resulted in the following management action:

“Review Council Policy Risk Management in relation to Risk Appetite to determine whether the current acceptance levels are appropriate and ensure Risk Registers within Service Team Plans for 2022-23 comply with these levels.”

Community / Stakeholder Consultation

Nil.

Statutory Environment

Regulation 17 of the *Local Government (Audit) Regulations 1996* (WA) (‘the Regulations’) require the CEO to review the appropriateness and effectiveness of the Shire’s systems and processes in relation risk management, internal control and legislative compliance (r. 17(1)). The review may include any or all of the abovementioned matters (r. 17(2)) and the results of any review must be reported to the Shire’s Audit, Risk and Governance Committee (r. 17(3)). Each matter must be the subject of a review not less than once in every 3 financial years (r. 17(2)).

Comment

In order to give effect to the action, it is recommended the Committee recommend to Council that the CEO facilitate the review of the Risk Appetite Statements with Committee members and Councillors via a workshop facilitated by a specialist risk consultant. This approach would be consistent with the manner in which the statements were first developed. Using an external consultant also provides an opportunity to complete additional improvements to risk appetite that have been previously identified by Officers within the ‘Enterprise Risk Management – Continuous Improvement Plan’. The additional improvement would be:

- Enhancement of the Risk Appetite Statements to include quantitative Risk Tolerance measures and limits associated with each of the key risk areas.



The date and time of the workshop would be determined at a later date once procurement for the consultant has been undertaken. In order to achieve the due date of the action, the review would need to be completed by 30 September 2022.

Options and Implications

Option 1

The Committee recommend Council: REQUESTS the CEO Review Council's Risk Appetite Statements with the Audit, Risk and Governance Committee and Councillors via a workshop facilitated by an external specialist risk consultant.

Option 2

The Committee recommend Council: DOES NOT Review Council's Risk Appetite Statements.

Option 1 is recommended.

Conclusion

The review of risk appetite statements is required to address findings of the latest regulation 17 review.

Attachments (available under separate cover)

Nil.

Alignment with our Strategic Community Plan

Outcome 4.1	A resilient, efficient and effective organisation
Strategy 4.1.1	Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources

Financial Implications

The costs of a risk consultant to facilitate workshops can be met within the current Governance consultancy budget. Exact costs are currently unknown as procurement is yet to occur however based on previous experience the estimated cost is \$5,000.



Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	There are no significant risks associated with this option.						
2	If the Committee recommends not reviewing the risk appetite, it will be difficult for officers to address the recommendations from the 2022 regulation 17 audit. This is likely to reflect negatively in future regulation 17 reviews.	Nil	Organisational Performance	Rare	Minor	LOW	Officers would continue applying risk appetite within the current framework.

Voting Requirements: Simple Majority

Officer Recommendation

That the Committee recommend Council REQUESTS the CEO Review Council's Risk Appetite Statements with the Audit, Risk and Governance Committee and Councillors via a workshop facilitated by an external specialist risk consultant.



5.1.3 – Abernethy Road Inquiry Report findings and response to recommendations (SJ3558)	
Responsible Officer:	Manager Governance and Strategy
Senior Officer:	Chief Executive Officer
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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Report Purpose

The purpose of this report is to enable the Audit, Risk and Governance Committee to consider the Abernethy Road Inquiry Report Findings and Response to Recommendations and, in turn, provide recommendations to Council.

Relevant Previous Decisions of Council

Ordinary Council Meeting – 13 December 2021 – OCM332/12/21 – COUNCIL RESOLUTION- extract

- 4. That Council ADOPTS Audit, Risk and Governance Committee Resolution ARG016/11/21 and REQUESTS the Chief Executive Officer appoint Stantons International as the preferred supplier to conduct the Inquiry into the Abernethy Road project.*

Ordinary Council Meeting – 21 June 2021 – OCM131/06/21 – COUNCIL RESOLUTION - extract

That Council:

- 5. That Council ADOPTS Audit, Risk and Governance Committee Resolution ARG010/05/21 and RESOLVES that the Council resolutions OCM091/04/21 and SCM042/02/21 related to an inquiry into and lessons learnt project from the Abernethy Road Upgrade (to include, but not limited to, a review of the Tendering Process, development of the Contract, review of variations, Project Management lessons learnt) are to be given effect through an independent inquiry following a competitive procurement process as outlined in the report.*
- 6. REQUESTS that the Chief Executive Officer present an assessment report of the responses received from the competitive process with a recommendation to Council to undertake the Inquiry.*



Background

Abernethy Road is a locally controlled road within the Shire of Serpentine Jarrahdale. In 2017, Council agreed to award tenders related to an upgrade of Abernethy Road that would be undertaken in separable portions. Tenders for Separable Portions 1, 2, and 3 were awarded in April 2017, while Separable Portion 4 (SP4) was awarded in November 2017.



While the contract for SP4 was provided for the contractor to take possession of the site on 31 January 2018, the site works did not commence until November 2020 and were completed in 2021. The final deed of agreement to settle terms was signed in September 2021.

The original contract sum for SP4 awarded to contract via Tender RFT 09/2017 was \$824,917. The Council approved additional variations of \$440,000 for SP4 on 17 February 2020 and \$1.238m in February 2021.

At the 21 June 2021 Ordinary Council Meeting, Council resolved that an independent inquiry be undertaken into the Abernethy Road upgrade. The scope of the inquiry is to include, but not limited to:

- review of the tendering process;
- development of the Contract;
- review of variations; and
- project management lessons learnt.

In December 2021, in accordance with Council's resolution made at the Ordinary Council Meeting earlier that month, Stantons International was appointed to conduct the Inquiry. Work on the Inquiry commenced on 1 February 2022. As most of the Officers who had worked in any capacity on the project were no longer employed by the Shire, as noted in the



Inquiry's report the method focused on a desktop review of the documents that would typically be expected to be generated of a project of this size and complexity.

A report detailing the Inquiry's findings and recommendations being provided to Officers on 13 April 2022. A copy of the report is provided in **attachment 1**.

Community / Stakeholder Consultation

Nil.

Statutory Environment

Nil.

Comment

The Inquiry's findings and recommendations identify opportunities to strengthen the Shire's approach to project management. The Inquiry's findings in respect to project management maturity are consistent with the Shire's own examination of project management capability which led in 2021 with Council's investment to establish a Project Management Office and implement a Project Management Framework through modules in the Shire's Enterprise Resource Program.

The Inquiry reflects practices that existed in the Shire in some cases several years ago and significant improvements have been made in the intervening period. However, notwithstanding the Inquiry's findings demonstrate the extent that the Shire as an organisation can grow to improve in the challenging area of delivering major capital programs to budget and a timely manner.

Examples where the Shire has significantly improved process and procedure since the time that the original Abernethy Road planning was undertaking are in procurement where Council has adopted a tender policy that ensures probity and consistency in procurement decisions and better record keeping of panel recommendations.

Moreover, the Inquiry's findings reinforce the need for further investment and capacity building in the area of project management as the Shire delivers projects of increasing complexity and sophistication.

The Inquiry identifies five key findings and recommendations:

- improve the planning phase
- better defined Procurement and Project Planning framework
- better documentation and knowledge management
- better defined Delegated Authority and roles; and
- better stakeholder engagement approach.

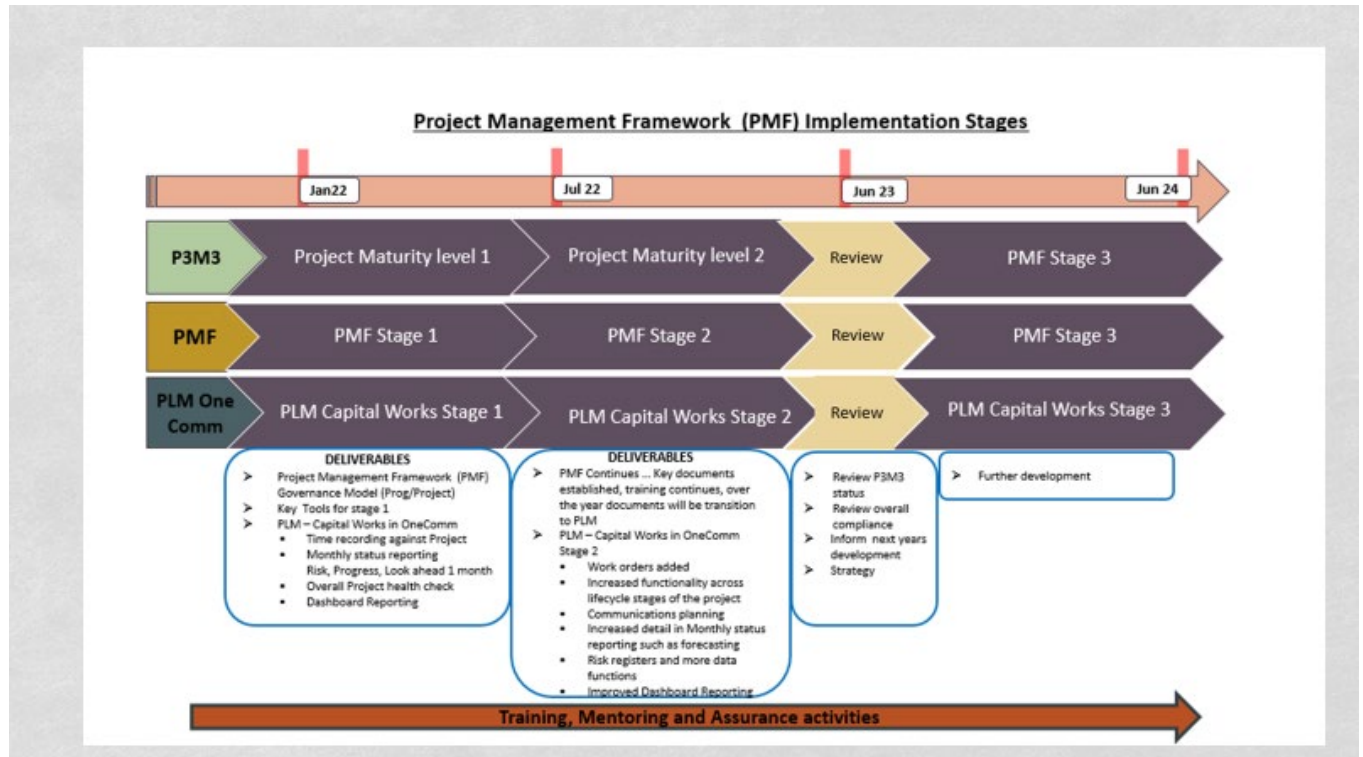
The Inquiry makes fifteen recommendations prioritised according to the maturity level of the organisation. A proposed response to each of the recommendations is described in **attachment 2**.

While the Inquiry Report articulates the opportunities for improvement, prior to the Inquiry's work commencing, the need for capacity building in relation to Project Management had



already been identified with work underway on a few fronts. This most notably is the Corporate Business Plan action to Implement a Project and Contract Management Framework.

The response to the recommendations proposed reflects the Shire's Project Management maturity journey shown in the figure below.



The Shire's implementation of a Project Management Office commenced in January 2022 owing to an inability to successfully attract a suitable person to the role and a procurement process to identify potential contractors to undertake the work not resulting in any bids from the market.

In January 2022, a Project Management Office Leader commenced with the Shire. In the first three months significant progress has been made resulting in the planning and design of a Project Management Framework and implementation of the first iterations of the Project Management Lifecycle Module.

This work has included:

- assessment of organisational capability
- design of the maturity journey
- design of governance structure (roles and responsibilities)
- presentation to Policy Concept Forum
- project management framework (macro)
- design and preparation of scope and classification of relevant projects, gate criteria, change thresholds, register types and related procedures
- documentation through draft policy and business operating procedure



- initial build of Project Management Lifecycle module (PLM Module) in OneComm (stage 1)
- user acceptance testing of stage 1 Project Management Lifecycle module.
- presentation to Councillors at a workshop on 27 April 2022.

Work progressing the Project Management Framework has recently been challenged by labour market conditions which makes attracting and retaining expertise in this professional area challenging. This work includes:

- utilising the PLM module for monthly reporting and monitoring to Project Change Board
- presentation to Council of a supporting Project Management and Contract Management policies
- putting the framework into practice through Project Change Board and applying stage gate principles
- user testing of stage 2 PLM module features and utilisation of PLM to manage capital projects within scope
- embedding consistent project management procedures across the organisation
- training and professional development.

Responding to the Inquiry's recommendations involve a combination of this capacity building in project and contract management along with linked but separate activities associated with policy and procedure review. Each of the Inquiry's recommendations have been assigned by the independent Inquirer a corresponding priority based on the maturity level of the organisation. There being eight level one activities, four level two activities and three level three recommendations.

As reflected in the Inquiry's recommendations and the Officer's response, these recommendations will be considered in line with the Shire's maturity level as described in **attachment 2**.

As implementation of the Inquiry's recommendations involve a journey of continuous improvement it is recommended that the Committee request that the CEO update the progress on the response to recommendations at the February 2023 Audit, Risk and Governance Committee meeting. This report would supplement regular reporting to Council through Corporate Business Plan reporting.

The implementation of the Officer's response to each of the findings is not without cost. This reflects the growth in expected organisational capability must be met with associated resourcing. For example, the entirety of the Shire's procurement functions is currently met by one Full Time Equivalent Officer with other Officers providing relief support on top of their current duties. Advancements in strategic procurement, supply chain risk management, procurement planning, tender specification review and contract management identified by the Inquiry are reasonable expectations for a high functioning organisation and are supported but cannot be delivered within the existing resource allocation.

Likewise, improvements to stakeholder engagement identified in the Inquiry's recommendations cannot be realised without resource allocation in the form of a dedicated stakeholder engagement officer. To deliver on the Inquiry's recommendations, it is also



recommended that Council invest in Contract Management training for Project Managers to ensure that the mistakes of the Abernethy Road project are not repeated.

Options and Implications

Option 1

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

1. NOTES the Abernethy Road Inquiry Report per **attachment 1**.
2. NOTES the response to the Abernethy Road Inquiry Report per **attachment 2**.
3. LISTS for consideration in the 2022-23 budget the resource requirements to deliver on the recommendations as described in the financial implications of this report.
4. REQUESTS that the Chief Executive Officer update the progress on recommendation response at the February 2023 Audit, Risk and Governance Committee meeting.

Option 2

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

1. NOTES the Abernethy Road Inquiry Report per **attachment 1**.
2. REQUESTS that the Chief Executive Officer prepares a revised response to the recommendations and presents this response to a subsequent meeting of the Audit, Risk and Governance Committee.

Option 1 is recommended.

Conclusion

The Abernethy Road Inquiry looks back at project that was commenced in the mid-2010s and resulted in a contract being awarded in 2017 but not signed until 2018. Missteps beget missteps as project complexity and poor record keeping did not permit project handover to occur in an appropriate manner as various project managers and Senior Officers came to and subsequently left the organisations. The Inquiry has demonstrated the shortfall in the organisation's processes of which some still present opportunity for improvement. An Officer Response to the recommendations, of which the implementation of the Shire's Project Management Framework is the centrepiece, are presented for the Committee's consideration.

Attachments (available under separate cover)

5.1.3 - attachment 1 – Abernethy Road Civil Works Inquiry Report (E22/4682)

5.1.3 - attachment 2 – Officer Response - Abernethy Road Civil Works Inquiry Report (E22/5745)

Alignment with our Strategic Community Plan

Outcome 4.2	A strategically focused Council
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Strategy 4.2.3	Provide clear strategic direction to the administration
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Financial Implications

As noted above, the implementation of the Recommendation's findings involves continued investment in organisational capacity building to match the sophistication of the projects being delivered by the Shire. This increase in sophistication cannot occur without a commensurate increase in resource.

To implement the proposed Officer response to the Inquiry's findings involves costs a total in 2022-23 of \$167,000. This comprises:

- Procurement Administrator –\$66,000
- Community Engagement Officer - \$76,000
- Contract management training - \$25,000 (to be funded from the general training allocation)

Within that total figure, the Committee could recommend the partial adoption of recommendations with commensurate reduced investment.

Recommendations 1 and 13 would require the full investment of \$167,000. Recommendations 5; 6; 9; 10; and 15 would require a partial investment of \$91,000. Recommendations 2; 3; 8; and 14 would require a partial investment of \$66,000. Recommendation 7 would require a partial investment of \$25,000. Recommendation 11 does not require additional expenditure.

Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	



1	The implementation of the Officer's response is contingent on availability of resource and expertise that may not be available even with Council allocation of funding.		Organisational Performance	Possible	Minor	MODERATE	
2	This may result in the delay to the implementation of responses to the Inquiry's findings		Organisational Performance	Possible	Moderate	MODERATE	

Voting Requirements: Simple Majority

Officer Recommendation

That the Audit, Risk and Governance Committee RECOMMENDS that Council:

- 1. NOTES the Abernethy Road Inquiry Report per attachment 1.**
- 2. NOTES the response to the Abernethy Road Inquiry Report per attachment 2.**
- 3. LISTS for consideration in the 2022-23 budget the resource requirements to deliver on the recommendations as described in the financial implications of this report.**
- 4. REQUESTS that the Chief Executive Officer update the progress on recommendation response at the February 2023 Audit, Risk and Governance Committee meeting.**



5.1.4 – Work Health and Safety Compliance Project (SJ2196)	
Responsible Officer:	Manager People, Development and Wellbeing
Senior Officer:	Deputy Chief Executive Officer/ Director Community and Organisational Development
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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Report Purpose

The purpose of this report is for the Audit Risk and Governance Committee to consider recommending that Council receive the Workplace Health and Safety Management Review (The Review) and endorse recommendations and budget allocations to achieve the improvements outlined in the report.

Relevant Previous Decisions of Council

*Ordinary Council Meeting – 20 September 2021 – OCM237/09/21 - COUNCIL RESOLUTION / Officer Recommendation - **extract***

2. That Council ADOPTS Audit, Risk and Governance Committee Resolution ARG012/08/21 and NOTES the Strategic Risk Register Review as contained within this paper; and ENDORSES the updated Strategic Risk Register as contained within confidential attachment 1, with the following amendments:

- Insertion of “Loss of grant funding due to the untimely delivery of works” as a cause to Risk 3 – Financial Sustainability;*
- Insertion of “Investigate routine reporting to Council on the status of grant funded works” as a risk mitigation action to Risk 3 – Financial Sustainability with a due date of 31 December 2021.*

*Ordinary Council Meeting – 13 December 2021 - OCM332/12/21 - COUNCIL RESOLUTION / Officer Recommendation – **extract***

2. That Council ADOPTS Audit, Risk and Governance Committee Resolution ARG014/11/21 and NOTES progress of the reviews conducted in accordance with Regulation 5 of the Local Government (Financial Management) Regulations 1996 and Local Government (Audit) Regulations 1996.



Background

In 2020 the Western Australian Government announced changes to the Occupational Health and Safety Legislation. The *Work Health and Safety Act 2020* and the accompanying regulations came into effect on 31 March 2022. This is the first major overhaul of Western Australian WHS laws in over 30 years and is intended to harmonise Western Australian legislation with other States and Territories.

In August 2021 Officers advised the Audit Risk and Governance Committee that the Executive Management team were investigating whether employee work, health and safety should be detailed as a Strategic Risk. Risk 15 (Employee Work, Health and Safety) was listed as an emerging risk. In November 2021 Officers advised the Audit Risk and Governance Committee that a review and gap analysis into the Shire's safety systems has been initiated and further information on legislation amendments had come to light. As such, the new risk 'Inadequate processes and systems in place for the management of workplace health and safety' was added to register, with a risk rating of Significant.

In preparation for this new legislation Officers considered the Shire's Occupational Health and Safety system and resource provisions within the organisation. To ensure the Shire is well positioned for the introduction of the new legislation, the decision was made to engage a specialist consultant to undertake an audit of the health and safety system at the Shire to identify areas for improvement and to ensure compliance with the legislation.

In October 2021 Perth Workplace Safety Consultants was engaged in line with Council procurement policy to undertake the audit with the key outcomes of:

1. Review of OHS systems, processes and procedures.
2. Review of the current resourcing of the OHS function within the Shire.
3. Consideration of the new WHS legislation and the Shire's preparedness for the introduction of the new legislation.
4. Review of the online OHS system and provide recommendations of functionality or recommendations of alternatives if not suitable.
5. Review of OHS Committee function.
6. Review of all documentation required under both *Occupational Health and Safety Act 1984*, *Work Health and Safety Act 2020*, other relevant acts and AS-4801, ISO 9001 and ISO 14001 Standards.

The audit was undertaken between 23 August 2021 and 4 January 2022 ensuring a thorough review of the health and safety system of the Shire. This also included six onsite field audit reviews of Shire worksites.

Community / Stakeholder Consultation

The findings of The Review have been discussed with the Shire's Occupational Health and Safety Committee and the Management and Executive Management Groups.



Statutory Environment

Work Health and Safety Act 2020

Work Health and Safety (General) Regulations 2022

Local Government Act 1995

Workplace Injury, Rehabilitation and Compensation Act 2013

Council Policy 1.4.3 – Health and Safety

Comment

Changes impacting the Shire through the new legislation

The changes in the legislation have a number of impacts on the way in which the Shire undertakes its business including:

- There are now broader definitions of both “employer” and “worker”. The duty of care for the health, safety and welfare of all those within their workforce, which now includes employees, subcontractors, casuals and volunteers, is now the responsibility for any person conducting a business or an undertaking (PCBU), this includes individuals supervising a workforce.
- The introduction of a new industrial manslaughter penalty. Industrial manslaughter includes any conduct that results in the death of an individual. Both a PCBU and an officer of the organisation can face prosecution and penalties for industrial manslaughter.
- There are now dramatic increases in the penalties for any breach of the new legislation, with the maximum penalty for an organisation committing this criminal offence being a fine of up to \$10 million. The maximum penalty for an officer will be up to 20 years imprisonment or a fine of up to \$5 million. Alternative convictions for less serious WHS offences may be determined by a court, depending on its assessment of the evidence.
- An organisation or individual can be prosecuted for simply not meeting their obligations of due diligence even if an accident or incident hasn’t occurred. The State Government has now committed additional resources to inspect organisations, to ensure compliance with the legislation.
- Organisations cannot take out insurance to cover any of these fines nor can it indemnify officers against financial penalty. Therefore, any penalties must be borne by the officer in charge, the organisation and other responsible officers.

These changes mean that it is even more important that the Shire is managing risk operationally, ensuring all processes and procedures comply with the relevant legislation, ensuring that the WHS function is properly resourced and the WHS system is effective, to ensure the welfare of all workers and compliance with the legislation whilst minimising risk to the Shire’s supervisory staff.



The Review findings

The findings of The Review are contained in **Attachment 1** and a high-level summary of the findings contain in **Attachment 2**.

Audit Methodology

An audit assessment was undertaken against the National Self Insurer WHS Audit Tool which considers health and safety management system design and implementation against WHS legislation and ISO Standards.

Audit Findings

In total there were 45 conforming criteria items, 60 non conformances and 1 criteria that was not applicable.

The Shire's WHS framework met the minimum requirements of the legislation, however key procedures were absent across:

- Document control
- Communication and Consultation
- WHS Reporting and Records

Resourcing of the health and safety function in the organisation

The Review also spoke to the current resourcing of the Health and Safety function in the organisation, suggesting that the provision of 1 FTE Health and Safety Advisor position was inadequate given the wide-ranging health and safety activities required for the organisation. In discussion the consultant was clear with Officers that in their opinion that the lack of adequate resourcing had largely contributed to the reduction in the quality of the Health And Safety system in the organisation.

The Review recommends that adequate resourcing levels in the safety team for an organisation of this size and complexity would equate to 2 FTE. One a coordinator level position and one position as an Advisor level position. This is an additional 1 FTE on the current staffing. There is not currently a budget provision for an additional Coordinator level position.

Onsite field audit findings

The Review detailed a number of findings requiring rectification as a result of six onsite field audits conducted as part of this Review.

A Corrective Action Register captured the works required as a result of these field audits. Overall, the works required to be undertaken require a spend of \$100,936 an amount that is currently unbudgeted in the 2022/2023 financial year and are above and beyond the works currently budgeted for in the financial year.



Recommendations

Officers are making a number of recommendations in order to address the findings of The Review:

Recommendation 1

It is recommended that the Audit Risk and Governance Committee recommends that Council endorses the goal of achieving compliance with ISO45001 Occupational health and safety management systems. This will ensure the highest level of health and safety management system. This will be a stretch target over five years and will require adequate resourcing in the first instance as outlined in this report and consideration of future budget allocations as part of the draft budget setting process on an annual basis. This will provide the organisation with a goal to work towards to ensure best practice and legislative compliance.

Recommendation 2

ISO compliance requires regular internal auditing activities of the health and safety management system. Officers recommend that the Audit Risk and Governance Committee recommend that Council endorses the inclusion of these auditing requirements in the Internal Audit Plan as required. This will assist to ensure that this current deficit position in relation to the health and safety system is not realised again.

Recommendation 3

Officers recommend that the Audit Risk and Governance Committee recommend that Council endorse a restructure of the organisational health and safety function to increase the FTE by 1 providing a more senior level Safety Coordinator.

This new Health and Safety Coordinator position will focus on:

- Manage and maintain the Safety Management System.
- WHS document development.
- Updating and maintaining processes, procedures, audit documents and risk registers ensuring it is relevant and accurate and legislation changes are captured.
- Supervision of the Work Health and Safety Officer

This will ensure that the current Health and Safety Advisor position will have capacity to focus on:

- Workplace inspections.
- Safety Audits.
- Due diligence for the safety system.
- Risk management reviews.
- Manage return to work programs.



- Provide coaching for the Health and Safety Representatives.
- Coordinate delivery of the Staff Wellbeing Program.

The financial impact of this is detailed in the financial section of this report. Officers would like to begin recruitment of this position in the 2021/2022 financial year as a priority.

Recommendation 4

The Review details the breadth of work required to ensure that the necessary health and safety documentation is updated or created to ensure compliance with legislation. Officers recommend the provision of budget to support the use of external support to create this documentation.

The Shire is in such a deficit position that a significant amount of work needs to be undertaken to ensure baseline compliance, in order to allow the Shire resources to undertake the day to day work necessary for delivery of the health and safety system. It will not be possible for Officers to undertake the day to day duties required and the development of the documentation required.

An amount of \$80,000 has been included in the 2022/2023 financial year draft Operating Budget. Officers recommend that the Audit and Risk Committee recommend Council support the inclusion of these funds in the draft budget.

Recommendation 5

Budget provision is recommended to enable the delivery of the works outlined on the Corrective Action Register. Officers recommend the Audit Risk and Governance Committee recommend Council support a budget amendment as outlined in this report to enable this works to be undertaken.

Strategic Risk Register

The current risk as outlined in this report is so significant that it is not anticipated that the strategic risk will not be lowered for some time until further works are undertaken and completed. Dependent on the recommendation that the Audit Risk and Governance Committee makes to Council and Council's resolution, Officers may recommend the risk be increased.

Options and Implications

Option1

That the Audit Risk and Governance Committee recommend that Council:

1. RECIEVES the Workplace Health and Safety Management Review as contained in **Attachment 1**;
2. RECIEVES the Summary of the Workplace Health and Safety Management Review as contained in **Attachment 2**;
3. RECEIVES Corrective Action Register contained in **Attachment 3**;



4. NOTES the information provided in this report in relation to the changes in Work Health and Safety legislation and the impact on the Shire of Serpentine Jarrahdale;
5. ENDORSES Recommendations 1 to 5 as contained in this report; and
6. APPROVES the following budget amendment for the 2021/2022 Financial Year:

Account Number	Type	Account Description	Debit \$	Credit \$
4000-15007-6383-000	Decrease Expenditure	Strategic Community Review		100,000
6200-NEW-6600-0000	Increase Expenditure	Health & Safety Corrective Actions – Capital Expenditure	100,000	
Reason: Budget required to rectify the items contained in the Corrective Action Register. Savings to come from Major Review Strategic Community Plan as Council resolved at the Ordinary Meeting of Council held 21 March 2022 not to progress with this project in the current financial year				

Option 2

That the Audit Risk and Governance Committee recommend that Council:

1. RECIEVES the Workplace Health and Safety Management Review as contained in **Attachment 1**;
2. RECIEVES the Summary of the Workplace Health and Safety Management Review as contained in **Attachment 2**;
3. RECEIVES the and Corrective Action Register contained in **Attachment 3**;
4. NOTES the information provided in this report in relation to the changes in Work Health and Safety legislation and the impact on the Shire of Serpentine Jarrahdale;
5. ENDORSES Recommendations 1 to 5 as contained in this report; and
6. REQUESTS the Chief Executive Officer lists the recommendations contained in this report for consideration through the 2022/2023 financial year budget setting process.

Option 3

That the Audit Risk and Governance Committee recommend that Council:

1. RECIEVES the Workplace Health and Safety Management Review as contained in **Attachment 1**;
2. RECIEVES the Summary of the Workplace Health and Safety Management Review as contained in **Attachment 2**;



3. RECEIVES the Corrective Action Register contained in **Attachment 3**;
4. NOTES the information provided in this report in relation to the changes in Work Health and Safety legislation and the impact on the Shire of Serpentine Jarrahdale; and
5. DOES NOT endorse Recommendations 1 to 5 as contained in this report.

Option 1 is recommended.

Conclusion

The new *Work Health and Safety Act 2020* has resulted in a number of changes in requirements of organisations, including the Shire of Serpentine Jarrahdale, in the delivery of the health and safety function of the organisation. The Review has indicated a significant number of non-conformances that place the organisation at risk of not meeting legislative requirements and being able to provide a functional health and safety system.

This report makes recommendation of a number of actions to be undertaken to address the findings of The Review.

Confidential Attachments (available under separate cover)

5.1.4 - attachment 1 – Workplace Health and Safety Management System Review (E22/969)

5.1.4 – attachment 2 – Summary of the Workplace Health and Safety Management System Review (E22/5940)

5.1.4 – attachment 3 – Corrective Action Register-2021-Audit Outcomes (E22/1067)

Alignment with our Strategic Community Plan

Outcome 1.3	A safe place to live
Strategy 1.3.1	Comply with relevant local and state laws, in the interests of the community
Outcome 4.1	A resilient, efficient and effective organisation
Strategy 4.1.1	Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources
Outcome 4.2	A strategically focused Council
Strategy 4.2.2	Ensure appropriate long term strategic and operational planning is undertaken and considered when making decisions
Strategy 4.2.3	Provide clear strategic direction to the administration



Financial Implications

Recommendation 1 - has no financial implication at this time however Officers anticipate future requests through the budget setting process for funds as necessary to undertake the activities to reach ISO compliance.

Recommendation 2 - has no financial implication as the Shire currently employs an Internal Auditor to undertake this function.

Recommendation 3 - has a financial impact in order to provide sufficient funds for the creation of the Health and Safety Coordinator position. The financial impact is \$153,152.31 (including training and ICT set up costs) in the 2022/2023 financial year and an ongoing addition the Shire FTE and annual employee budget.

Due to vacancies in the Work Health and Safety team there are currently sufficient funds to begin recruitment of this position in the 2021/2022 financial year. Officers recommend this as critical given the findings of The Review.

Recommendation 4 - has a financial impact of \$80,000. An amount of \$80,000 has been included in the 2022/2023 financial year draft Operating Budget. Officers recommend that the Audit and Risk Committee recommend Council support the inclusion of these funds in the draft budget.

Recommendation 5 - has a financial impact of \$100,936 in order to rectify the items contained in the Corrective Action Register. This is unbudgeted works in the 2021/2022 financial year. Officers recommend a budget amendment from account 4000-15007-6383-000 Strategic Community Review, as Council resolved at the Ordinary Meeting of Council held 21 March 2022 not to progress with this project in the current financial year. The additional \$936 will be met through the operational budget.

The above proposed course of action will require a formal budget variation. Accordingly, approval is sought for the following budget adjustments for the reasons specified:

Account Number	Type	Account Description	Debit \$	Credit \$
4000-15007-6383-000	Decrease Expenditure	Strategic Community Review		100,000
6200-NEW-6600-0000	Increase Expenditure	Health & Safety Corrective Actions – Capital Expenditure	100,000	
Reason: Budget required to rectify the items contained in the Corrective Action Register. Savings to come from Major Review Strategic Community Plan as Council resolved at the Ordinary Meeting of Council held 21 March 2022 not to progress with this project in the current financial year				



Risk Implications

Risk has been assessed on the Officer Options and Implications:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Significant works to be undertaken, risk of not securing appropriate personnel resources given the current employment market for high demand safety positions.	Current WHS resources (1 FTE)	Organisational Performance Physical or Psychological	Possible	Moderate	MODERATE	Continue to utilise external support until such time as appropriate resources are secured.
2	Delay in commencing recruitment and delivery of rectification works will continue to place the Shire at risk of not meeting legislative requirements, increasing risk for the organisation and employees	Current WHS resources (1 FTE)	Financial Physical or Psychological	Likely	Catastrophic	HIGH	Continue to utilise external support until such time as appropriate resources are secured.
3	Significant risk to organisational health and safety system, lack of compliance with legislation, possible harm to individuals and possible prosecution and notice from the Western Australian Government	Current WHS systems and processes.	Financial Physical or Psychological	Almost Certain	Catastrophic	HIGH	Nil



Voting Requirements: Absolute Majority

Officer Recommendation

That the Audit Risk and Governance Committee recommend that Council:

- 1. RECIEVES the Workplace Health and Safety Management Review as contained in Attachment 1;**
- 2. RECIEVES the Summary of the Workplace Health and Safety Management Review as contained in Attachment 2;**
- 3. RECEIVES the Corrective Action Register contained in Attachment 3;**
- 4. NOTES the information provided in this report in relation to the changes in Work Health and Safety legislation and the impact on the Shire of Serpentine Jarrahdale;**
- 5. ENDORSES Recommendations 1 to 5 as contained in this report; and**
- 6. APPROVES the following budget amendment for the 2021/2022 Financial Year:**

Account Number	Type	Account Description	Debit \$	Credit \$
4000-15007-6383-000	Decrease Expenditure	Strategic Community Review		100,000
6200-NEW-6600-0000	Increase Expenditure	Health & Safety Corrective Actions – Capital Expenditure	100,000	
Reason: Budget required to rectify the items contained in the Corrective Action Register. Savings to come from Major Review Strategic Community Plan as Council resolved at the Ordinary Meeting of Council held 21 March 2022 not to progress with this project in the current financial year				



6. Motions of which notice has been given:

7. Urgent business:

8. Closure: