

**RISK ELT MEETING NO. 2020(02)**

**3 APRIL 2020**

REPORT

**ATTENDANCE:** Graham McGinniskin (Principal Risk and Compliance Specialist - Chairperson); Members David Farmer (Chief Executive Officer), Sonia Cooper (General Manager Corporate Services), Charlie Dill (General Manager Infrastructure and Environment), Sean Madigan (General Manager Coordination and Performance), Ben Pole (General Manager Community, Cultural and Economic Development), Peter Tabulo (General Manager Planning and Regulatory Services), Freddy Beck (Chief Audit Executive), Angela Harms (Governance Manager), Chris Lee (Workplace Safety and Wellbeing Manager) and Tony Dunleavy (Manager Legal and Governance (General Counsel))

**APOLOGIES:** Josh Edwards (Business Improvement Manager)

1. **REPORT - ELT RISK MEETING OF 10 FEBRUARY 2020**

This is the report of the ELT Risk Committee No. 2020(01) of 10 February 2020.

**RECOMMENDATION**

That the report of the ELT Risk Committee No. 2020(01) of 10 February 2020 be received and the contents noted.

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2. **REPORT - RISK - INFRASTRUCTURE AND ENVIRONMENT NO. 2020(01) OF 16 MARCH 2020**

This is the report of the Risk - Infrastructure and Environment No. 2020(01) of 16 March 2020.

**RECOMMENDATION**

That the report of the Risk - Infrastructure and Environment No. 2020(01) of 16 March 2020 be received and the contents noted.

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3. **REPORT - RISK - PLANNING AND REGULATORY SERVICES NO. 2020(01) OF 16 MARCH 2020**

This is the report of the Risk - Planning and Regulatory Services No. 2020(01) of 16 March 2020.

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RECOMMENDATION

That the report of the Risk - Planning and Regulatory Services No. 2020(01) of 16 March 2020 be received and the contents noted.

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4. REPORT - RISK - CORPORATE SERVICES NO. 2020(01) OF 17 MARCH 2020

This is the report of the Risk - Corporate Services No. 2020(01) of 17 March 2020.

RECOMMENDATION

That the report of the Risk - Corporate Services No. 2020(01) of 17 March 2020 be received and the contents noted.

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5. REPORT - RISK - COORDINATION AND PERFORMANCE NO. 2020(01) OF 18 MARCH 2020

This is the report of the Risk - Coordination and Performance No. 2020(01) of 18 March 2020.

RECOMMENDATION

That the report of the Risk - Coordination and Performance No. 2020(01) of 18 March 2020 be received and the contents noted.

DISCUSSION

- Graham advised that at the Coordination and Performance risk meeting it was suggested that the risk 'social infrastructure planning' be moved to the Corporate Risk Register.
- Graham advised that it was agreed to include the risk 'management of COVID-19 pandemic' with a current risk rating of high and a target risk rating of low to the Coordination and Performance Department.

ACTIONS

- That the risk 'social infrastructure planning' remain within Coordination and Performance at this stage (see Item 10).
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6. OUTSTANDING ACTIONS FROM ALL RISK COMMITTEES AS AT 1 APRIL 2020

This is a short report attaching the outstanding actions from each of the ELT Risk Departmental committees including the ELT Risk Committee.

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RECOMMENDATION

That the outstanding actions be noted and updated where possible.

DISCUSSION

- Charlie Dill queried how the actions were notified to the organisation. Vicki advised that these were created and distributed in the same manner as all other Infocouncil actions ie: via an email notification with the action appearing under the Actions tab in Infocouncil.
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7. UPDATE ON THE ENTERPRISE RISK MANAGEMENT PROGRAM - FRAUD AND CORRUPTION CONTROL AND BUSINESS CONTINUITY MANAGEMENT

This is an update on the Enterprise Risk Management Program/Fraud and Corruption Control and Business Continuity Management.

RECOMMENDATION

- A. The ELT note the review and update of the Corporate Risk Register and Departmental Risk Registers.
- B. That ELT endorse the proposed PWC “draft” Risk Appetite Statement (RAS) for use in executive decision making. That ELT note that Council did not proceed with the proposed engagement of PWC to develop a Risk Appetite Statement. Therefore, action items 1, 2 and 3 did not proceed and will be taken into account over the next 12 months so Council can ensure a high level RAS is developed and put in place.
- C. That ELT note that the Fraud and Corruption Training for ELT/Branch and Section Managers and key staff was carried out by PWC in four sessions on 19 and 20 February 2020 involving over 100 staff. General Managers were also able to nominate key staff from their Department and finance were able to secure funding for PWC’s engagement.
- D. That ELT endorse, that due to the current circumstances in relation to the COVID-19 pandemic, ELT at its meeting on Monday, 23 March 2020 made a decision to postpone the development of a Business Continuity text exercise which was to be carried out in the first half of 2020. The decision to carry out the Business Continuity test exercise was endorsed at the ELT Risk Committee on Monday, 10 February 2020. Therefore, the 30 minute session scheduled for one of the ELT weekly meetings on a month prior to the scheduled exercise has been postponed.
- E. That ELT Endorse the ICC Critical Systems and Facilities on page 16 of the ICC Business Continuity Plan outlined in Attachment 9. The table identifies the key systems and facilities identified by the BIA and state their target recovery times in the circumstances of a major business disruption.

- F. That ELT endorse the establishment of the five Departmental Risk Advisory Committees and the Terms of Reference for each of the Advisory Committees. All five Departmental Risk Advisory Committees at their recent meetings endorsed the Risk Advisory Terms of Reference.
- G. That ELT note that Chris Lee, Workplace Safety and Wellbeing Advisor is now a participant on the ELT Risk Committee. At the ELT Risk Committee on 10 February 2020 the CEO requested that Chris Lee attend because the Risk of Harm to a Worker is in all the risk registers – WH&S from an employee point of view and contractors and public engaged with council.
- H. That as agreed, ELT would discuss one of the corporate risks at each meeting and look at the mitigation of risks associated with it as a group. It is suggested that ELT review risk one – Transformation program does not deliver expected outcomes/benefits.
- I. That ELT discuss any major risk events that have occurred i.e. major safety incidents.
- J. That ELT discuss the following emerging risks that were identified by PWC with their one-on-one meetings with the CEO and General Manager's late last year. 1. State/Federally funded infrastructure meeting growth demands and social equity. 2. Commercial disputes, 3. Climate Change. 4. Departmental outcomes align with Council Strategy. 5. Internal Audit/Ethical Standards. 6. Policy/Procedure Approval.
- K. That ELT discuss the inclusion into the Corporate Risk Register, a risk around - Social Infrastructure Planning. This risk currently resides in the Coordination and Performance Departmental Risk Register.

## DISCUSSION

- RECOMMENDATION B - In relation to the proposed PWC 'draft' Risk Appetite Statement, Graham McGinniskin outlined that it is proposed to do a more in-depth analysis for the 9 risk areas during 2020 and that for the next ELT Risk meeting there will be discussion around how council can look at compiling a risk appetite for council covering these 9 risk areas.
- RECOMMENDATION D - the CEO requested that a date be pencilled in towards the end of the year and this be used as an exercise that reflects on Ipswich City Council's overall response to the COVID-19 Pandemic as this has been an actual event impacting our business.
- The General Manager, Corporate Services suggested that after the LDMG stands down on COVID-19 Pandemic and response, that the risk management and business continuity team participate in a comprehensive debrief from a business continuity perspective.
- RECOMMENDATION E – General Manager, Corporate Services suggested that she take this to the new Chief Information Officer for comment.

- RECOMMENDATION H - discussion was held on whether No. 1 – ‘Transformation program does not deliver expected outcomes/benefits’ – should remain as part of the Coordination and Risk Register. The CEO stated that his preference would be that it remain for 12 months and at the end of 12 months it be reviewed. Sean Madigan advised that a lot of work had been done on the projects however they are yet to embed them into BAU and realise any benefits which could be up to 12 months away.
- Graham asked if everyone was satisfied with the risk rating of high. The CEO suggested that it remain this way given the situation we are in at present.
- Graham to review this at next ELT Risk committee to see if there needs to be any further action taken or feedback provided.
- RECOMMENDATION I - Chris Lee outlined the closure of the lower levels of 143 Brisbane Street due to mould and that the area is still shut down and the issue remains significant.
- Graham McGinniskin asked if it should be a risk in either the Department risk register or the Corporate risk register.
- Chris Lee outlined the ongoing issues and the CEO stated that it doesn’t need to be added to any register and that the purpose of this matter on each agenda is just to share and discuss things that have occurred and how council might mitigate and deal with them.
- GM, CS suggested that the lessons learned from the incident and its management be debriefed.
- RECOMMENDATION J - the CEO suggested that these be kept on the agenda for review at the next meeting.
- RECOMMENDATION K – GM, CP raised that this matter came about as a result of the restructure but in terms of planning and delivering social infrastructure it didn’t really sit in the coordination and performance department. He asked if this should be escalated to the Corporate Risk Register or within CCED in terms of the Community Risk Register.
- The CEO stated that there was no organisation ownership of it at this stage and maybe it should sit in Coordination and Performance until the risk is resolved.
- It was suggested that GM, PRS and GM, IED work out whose responsibility this is and create a workflow so that the organisation have clarity and responsibility.
- The CEO outlined that there are a few other areas that need to be tidied up as well.
- GM, CP to liaise with other departments and put together a paper for ELT on the matter.

#### ACTIONS

- Graham McGinniskin to send out draft appointment towards the end of the year for a Business Continuity Test exercise and this be used as an exercise that reflects on current COVID-19 actions.
- Sonia Cooper to seek comment from Sylvia Swalling as the new Chief Information Officer on the ICC Critical Systems and Facilities as part of the Business Continuity Plan.
- Graham McGinniskin to review risk one – ‘Transformation program does not deliver expected outcomes/benefits’ at the next ELT Risk Committee to see if there needs to be any further action taken or feedback provided.

- Chris Lee to organise a debrief with the contractors of 143 Brisbane Street, Ipswich.
  - Peter Tabulo and Charlie Dill to discuss the responsibility for Social Infrastructure Planning so that the organisation can have clarity and responsibility for it.
  - Sean Madigan to liaise with other departments in relation to corporate planning structure and ownership of responsibilities ie who is asset owner, planner, maintainer etc and prepare a paper for ELT with a possible workshop to be run at the end of the year.
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#### 8. COVID-19 RISK MODEL

Verbal Report by the Chief Executive Officer concerning a separate risk register for COVID-19.

#### RECOMMENDATION

- A. That the Principal Risk and Compliance Specialist prepare a separate risk register for COVID-19 including financial risks to the organisation, risk to staff and risk to the economy.
- B. That the Principal Risk and Compliance Specialist coordinate, as a priority, a simple document outlining 3 or 4 key risks for a COVID-19 briefing with the incoming councillors.

#### DISCUSSION

- The CEO queried what council was doing about codifying the COVID-19 risk model and suggested two ways of undertaking this – 1. an emerging risk that will go up and down which should be dealt with in a separate risk register. This should include financial risks to the organisation, risk to staff and risk to the economy. 2. on a broader level Graham to coordinate as a priority, 3 or 4 key risks which will be a good exercise in front of elected reps. Need to include real and pressing issues keeping in mind the range of sophistication. What are the risks that will be extreme and what the organisation is doing to pull these together. Not a complex document but should codify these issues.
  - Angela Harms queried if council was capturing the COVID-19 risks from the social aspect of the community.
  - The CEO suggested to look at some of the social and economic impacts and what can be done to mitigate some of these and consider that they may still be very serious in 4 or 6 months' time. Need to think strategically about how to undertake this.
  - Ben Pole advised that the first piece of work in this space has been done. A community capability gap analysis has been prepared where the team have looked at a variety of community groups and what normal service provision would be and how this has been impacted.
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9. EMPLOYEES - USE OF OWN VEHICLE

Verbal report by the Principal Risk and Compliance Specialist concerning employees wanting to use their own vehicles for work.

RECOMMENDATION

That the General Manager, Corporate Services discuss the issues surrounding this process with the Manager, People and Culture to determine an appropriate outcome.

DISCUSSION

- Graham McGinniskin outlined that Chris Lee has been involved in matters where employees are wanting to use their own vehicles for work.
  - Feedback between insurance area, workplace safety and wellbeing and others is that we don't know how many employees have been allowed to use their vehicles for various reasons and how an significant an issue this may be.
  - If staff use their own vehicle and they do not have insurance this could leave council vulnerable.
  - The CEO outlined that in other organisations where there are novated leases in place a separate agreement is established between the employer and employee about insurance and excess and that council needs to urgently review this.
  - Graham McGinniskin advised that outdoor workers are not being able to use council vehicles. Council has a situation where we have novated vehicles in fleet and have an expectation that these should be used for work purposes.
  - Graham McGinniskin outlined that council does not have a policy on what happens if staff have an accident.
  - The CEO outlined that this is a People and Culture issue rather than a risk issue.
  - Sonia Cooper advised that she would address this with the Manager, People and Culture.
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10. AUDIT AND RISK MANAGEMENT COMMITTEE UPDATE

Verbal report by the General Manager, Corporate Services providing an update on a briefing with the Chairperson of the Audit and Risk Management Committee regarding expectations of how the Audit and Risk Management committee meetings should be structured.

RECOMMENDATION

That the verbal report be noted.

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**PROCEDURAL MOTIONS AND FORMAL MATTERS**

The meeting commenced at 9.03 am.

The meeting closed at 9.51 am.

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