

ELT RISK MEETING NO. 2020(01)

10 FEBRUARY 2020

REPORT

ATTENDANCE: Principal Risk and Compliance Specialist – Graham McGinniskin (Chairperson); Chief Executive Officer – David Farmer, General Manager Coordination and Performance - Sean Madigan, General Manager Infrastructure Services - Charlie Dill, General Manager Community, Cultural and Economic Development - Ben Pole, General Manager Corporate Services – Sonia Cooper, General Manager Planning and Regulatory Services - Peter Tabulo, Chief Audit Executive – Freddy Beck, Governance Manager – Angela Harms, Insurance and Risk Officer – Felicity Westguard

APOLOGIES: Manager Legal and Governance (General Counsel) – Tony Dunleavy and Business Improvement Manager – Josh Edwards

1. **REVIEW AND UPDATE OF THE CORPORATE RISK AND DEPARTMENTAL RISK REGISTERS**

Price Waterhouse Cooper (PWC) delivered a second Corporate Risk Workshop to ELT on 25 November 2019 and the second Departmental Risk Workshop during November/December 2019. The Ipswich City Council (ICC) Corporate Risk Register and ICC Departmental Risk Register were updated and finalised during December 2019.

RECOMMENDATION

That ELT note the review and update of the Corporate Risk Register and Departmental Risk Register.

DISCUSSION

- Graham advised that when the workshops are run in March the risks identified will be reported back to this committee in April.
- Graham also advised that it will take at least 12 months to have registers in a mature state.

Attachments

1. Risk Register - CCED
2. Risk Register - CP
3. Risk Register - CS
4. Risk Register - IE
5. Risk Register - PRS

2. PROPOSED ENGAGEMENT OF PWC TO DEVELOP A RISK APPETITE STATEMENT

PWC were requested to provide proposals for the development of a Risk Appetite Statement (RAS) for use in Executive decision making and a Fraud and Corruption Training Program for ELT/Branch Managers and Section Managers.

RECOMMENDATION

That ELT endorse the proposed engagement of PWC to develop a Risk Appetite Statement (RAS) for use in executive decision making.

DISCUSSION

- CEO advised he was open to views about this statement.
- Graham outlined the importance from an audit perspective of having a statement
- GM's queried what council's risk appetite is and if it would provide guidance on what level of control council has against risks.
- Graham outlined that this will not be undertaken lightly so that council can ensure a high level statement is in place and over the next 12 months, review the statement.

ACTIONS

- **Graham McGinniskin to forward links of other local authorities who have a RAS to all General Managers for information.**
- **That the proposal by PWC for meetings with 5 General Manager's be re-scoped to only include meetings with the Principal Risk and Compliance Specialist to review the initial draft RAS.**
- **That the outcome from the initial meeting with the Principal Risk and Compliance Specialist be included in a draft commentary format to all GM's prior to the scheduled workshop.**

Attachments

1. PWC Engagement Letter
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3. PROPOSED ENGAGEMENT OF PWC FOR FRAUD AND CORRUPTION TRAINING

The final PWC Fraud Control Framework Review Report was received in December 2019 and ICC's Management Responses to the key recommendations are for consideration and endorsement by the ELT Risk Committee.

RECOMMENDATION

That ELT endorse the proposed engagement of PWC for Fraud and Corruption Training for ELT/Branch Managers and Section Managers.

DISCUSSION

- Query regarding e-Learning and whether this will be included as a training option. Graham advised that he will be working with the Learning and Development team to organise this.
- CEO asked if there was an opportunity to include other key players in the training. Graham advised that the workshop would be open to other identified staff.
- Query regarding new staff and the plan for ensuring that any identified new staff are trained. Graham advised that his team will work with Learning and Development to include some training modules for induction.

ACTIONS

- **Felicity Westguard to send an email to all GM's requesting nominations for other key staff to be included in training.**
- **Angela Harms raised a concern regarding the budget allocation for this training. Sonia Cooper will talk with Jeff Keech regarding this.**

Attachments

1. PWC Fraud and Corruption Awareness Training document
 2. PWC Engagement Letter for Fraud Awareness Training
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4. FINAL PWC FRAUD CONTROL FRAMEWORK REVIEW REPORT AND ICC MANAGEMENT PROCESS

The final PWC Fraud Control Framework Review Report was received in December 2019 and ICC's Management Responses to the key recommendations are attached for consideration and endorsement by the ELT Risk Committee.

RECOMMENDATION

That ELT note the final PWC Fraud Control Framework Review Report and endorse the ICC Management Responses to the key recommendations.

DISCUSSION

- Graham advised this was an internal document and once the recommendation is endorsed this will be completed. A review will be carried out in 6 months to ensure the recommendations were actioned.

Attachments

1. ICC Fraud Control Framework Review
 2. ICC Management Responses to key recommendations
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5. ICC FRAUD AND CORRUPTION CONTROL RISK REGISTER

Following endorsement of the Fraud and Corruption Control documents by the Steering Committee, adoption of the policy by Council, the ICC Fraud and Corruption Control Risk Register has been developed for consideration and endorsement by the ELT Risk Committee.

RECOMMENDATION

That ELT endorse the ICC Fraud and Corruption Control Risk Register.

Attachments

1. ICC Fraud and Corruption Control Risk Register
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6. DEVELOPMENT OF A BUSINESS CONTINUITY TEST EXERCISE

As part of the ongoing Business Continuity Management (BCM), it is the intention to develop a business continuity test exercise, in which it is anticipated that the exercise will be carried out in the first half of 2020.

RECOMMENDATION

That ELT note the intention to develop a business continuity exercise and that it is anticipated that the exercise will be carried out in the first half of 2020.

DISCUSSION

- Graham advised that council has all response plans in place and that ELT are the crisis management team and all have responsible roles if ever the plan has to be invoked.
- The CEO requested a 30 minute session with ELT to work through the BCP a month before the scheduled exercise.

ACTIONS

- **Graham to ensure that this 30 minute session is scheduled for one of the Thursday ELT meetings a month prior to the scheduled exercise.**
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7. ESTABLISHMENT OF THE ELT RISK COMMITTEE AND DEVELOPMENT OF CHARTER

Part of the TP#7 project is the establishment of a Risk Management Committee and a separate Fraud and Corruption Control Committee. It is proposed that with the establishment of the ELT Risk Committee, that the setting up of a separate Risk Management Committee and Fraud and Corruption Control Committee not proceed at this stage until the whole of Council Enterprise Risk Management (ERM) program is more mature.

RECOMMENDATION

That ELT endorse the establishment of the ELT Risk Committee and that a Charter for the committee be developed.

DISCUSSION

- The CEO outlined some matters he would like to see included on the agenda and in the charter for the ELT Risk Committee. *(These matters are outlined under the actions).*
- The GM Coordination and Performance queried how the presentation of Departmental Risk Registers to the Audit and Risk Management Committee would differ from what is presented and discussed at the ELT Risk Committee and if there would be an overlap of information. Graham advised that the reporting to Audit and Risk Management Committee would be more in depth and that it would be more of an assurance to the Audit and Risk Management Committee that we are on top of the issues.
- The CEO outlined that Audit and Risk Management Committee is more of an oversight committee and adviser to council and management to set the standards to ensure that matters are being worked on and aren't getting out of control.
- Graham advised that Sean would be presenting his departmental risk register at the Audit and Risk Management Committee this week and asked which General Manager would volunteer to present to the committee in May. The General Manager Infrastructure Services advised he would present at the May meeting.
- The CEO advised that Rob Jones had been appointed as one of the external members to the Audit and Risk Management Committee and that the current Chairperson (Graeme Stratford) would be retiring after the February meeting. A new Chairperson will be commencing for the May meeting.

ACTION

- **Graham to incorporate the following suggestions from the CEO into the agenda and Charter for the ELT Risk Committee.**
 - **The inclusion of a Workplace Health and Safety representative on the committee**
 - **Discussion of one of the corporate risks at each meeting and look at the mitigation of risks associated with it as a group**

- Discussion around any major risk events that have occurred ie; major safety incidents
 - Emerging risks
 - Continual review of progress of departmental risk registers
 - Review of commitments to date
 - That the General Manager Infrastructure and Environment present his Departmental Risk Register at the next Audit and Risk Management Committee scheduled for May.
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PROCEDURAL MOTIONS AND FORMAL MATTERS

The meeting commenced at 10.02 am.

The meeting closed at 11.00 am.
