



MINUTES

of the

FINANCE AND AUDIT COMMITTEE MEETING

Held at 11:00AM

on

21 MAY, 2020

in the

Councillor's Conference Room

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Finance and Audit Committee Members

Independent Chairperson Allan Pendal

Mayor John Bowler

Cr Laurie Ayres

Cr Gary Brown

Cr Glenn Wilson

Cr Nardia Turner

4 DECLARATIONS OF MEMBERS' AND OFFICERS' INTEREST

4.1 INTEREST AFFECTING IMPARTIALITY CITY OF KALGOORLIE-BOULDER CODE OF CONDUCT

Nil

4.2 FINANCIAL INTEREST LOCAL GOVERNMENT ACT SECTION 5.60A

Nil

4.3 PROXIMITY INTEREST LOCAL GOVERNMENT ACT SECTION 5.60B

Nil

Ms Cally Galliers entered the meeting 11:41am.

5 CONFIRMATION OF MINUTES

COMMITTEE RECOMMENDATION

MOVED BY: MAYOR JOHN BOWLER
SECONDED BY: CR LAURIE AYERS

Minutes of Finance and Audit Committee Meeting held on 20 February 2020

That the minutes of the Finance and Audit Committee meeting held on 20 February 2020 be confirmed as a true record of that meeting.

**CARRIED
(5/0)**

6 REPORTS OF OFFICERS

6.1 CHIEF EXECUTIVE OFFICER

6.1.1 PAXON OHS AUDIT REPORT

Responsible Officer:	John Walker Chief Executive Officer
Author:	Cally Galliers Manager Organisation and People
Disclosure of Interest:	Nil
VOTING REQUIREMENTS	
Simple	
OFFICER/COMMITTEE RECOMMENDATION	
MOVED BY:	CR LAURIE AYERS
SECONDED BY:	CR GARY BROWN
That the Committee recommend Council receive the Final Actions Report on the Paxon OHS Audit on Workplace injury, death or disease due to poor safety culture/practices.	
CARRIED (5/0)	
EXECUTIVE SUMMARY	
Further to Council receiving the update on the Paxon OHS Audit actions on the 24 February 2020, the City has further progressed the actions identified from the findings of the Paxon OHS Audit on Workplace injury, death or disease due to poor safety culture/practices presented to the Finance and Audit Committee in May 2019.	
Following the update to the Committee on the 20 th February 2020, the City has continued to progress the action items and implemented appropriate processes to address the findings in the report.	
The City has been working in conjunction with the City's insurer, LGIS to satisfy the Management Actions and Recommendations.	
COMMUNITY STRATEGIC PLAN LINKS	
This report links to the Strategic Community Plan through the following Community Theme, Goal and Objective:	
<ul style="list-style-type: none">• CAPABLE: We are continuing to undertake the appropriate risk management and assessment strategies.	
BUDGET IMPLICATIONS	
There are no financial implications resulting from the recommendations of this report.	

REPORT

The Paxon Group Audit identified the City had some significant areas in which to improve its performance relating to Workplace injury, death or disease due to poor safety culture/practices.

Following identification of action items, the City has undertaken an extensive review of current processes and procedures, and where appropriate implement actions, or identify actions to be implemented.

This report provides a final summary to the Committee of the actions completed, and processes in place to address the business issues identified in the Paxon Group audit findings.

OH&S Policy - The City implemented an OHS policy, adopted by Council 26 August 2019, which links the City's strategic direction on health and safety in the workplace and management's ownership towards this topic.

Risk Registers and Hazards - Promapp has been reconditioned as the primary software system the City utilises for risk and process management. Process automation via the system's health and safety incident portfolio, enables the City to not only register all incidents/hazards/near misses, but also logs their assessments and generates investigation reporting. The system's advanced workflow notifies employees via email, escalating to appropriate management where necessary. Promapp consolidates risk assessments across all business units, assisting the users to confirm corrective actions and assign responsibilities to the relevant officer. Currently the Health and Safety Advisors and People and Culture team drive the process however training to all staff will be rolled out when current COVID-19 travel restrictions lift.

Individual risk registers are being created across business units from the workplace inspections that are now regularly completed by the Health and Safety Advisors. These inspections and assessments will be consolidated in Promapp to form the principal OHS register for the City.

OH&S Representatives and Inspections - Following the launch of the Safety Focus Groups, the groups meet monthly and have been integral to the successful uptake of the Pre-start and Take 5 processes by crews. Safety Focus Group members are now participating in workplace inspections, hazard identification and risk assessments, they have shown consistent attendance records and are actively engaged in identifying proactive steps to manage workplace risks. To date, they have updated and renewed the City's Standard Operating Procedures and are continually progressing risk identification and hazard reporting.

Emergency Procedures - The outdated Emergency Management Plans have been reviewed and drafted in consultation with the expertise and direction of an LGIS Emergency Management consultant. This has included drafting evacuation diagrams for several City buildings, including a few renovations and modifications made to the below listed sites:

- Council Administration Centre
- Adult Day Care Centre
- Eastern Goldfields Community Centre
- Kalgoorlie Town Hall
- Boulder Town Hall

The City anticipates completing the final evacuation diagrams by the end of May 2020, after which all will be printed and erected at the various locations in line with best practice standards and as per guidelines for the heritage buildings. Once the evacuation diagrams are mounted, all staff at each site will be refreshed in the updated emergency management plans including exits and muster points.

Procedure Documents & Management System - The below list of procedural documents have been reviewed by the LGIS OHS Program Manager:

- OHS Contractor Management
- Incident Reporting and Investigation Procedure
- Isolating and Tagging Procedure
- Hazardous Substance Procedure
- Isolated Worker Procedure
- Working in Heat Procedure
- Hazard Substances Assessment Form
- First Aid Procedure
- Personal Protective Equipment Procedure
- Workplace and Workstation Design Procedure
- Safety Management Plan
- Asbestos Management Procedure
- Spraying Safety and Operation Procedure
- Fire Extinguishers in Vehicles Procedure
- Health Surveillance Procedure
- Prevention & Management of Violence and Aggression at the Workplace
- OHS Risk Management Procedure
- OHS Procedure Manual

As these documents have been written in a highly technical manner, the City, with the assistance of LGIS, will ensure the procedures align with operational activity and are fit-for-purpose. Due to the postponement of the scheduled LGIS visits during the COVID-19 pandemic, it is anticipated that these amendments will be completed by the end of June 2020. Once finalised and approved, they will be communicated to employees and subsequent face to face training will be delivered by the LGIS OHS Program Manager as and when restrictions allow. This will ensure staff are consulted and fully understand the City's expectations in the context of OHS policy and procedural documents.

Inductions - The City's Site Specific Induction document and checklist have been reviewed and will be updated with risks now being reported through Promapp. Risks that are unique to each business unit, will be included in the site specific induction document. Employees are now required to sign off on both documents, which will be appropriately registered to ensure an audit trail exists.

Training Plan and Register - The City has commenced a training matrix database that will identify current qualifications held and will link in with the City's current Employee Training Records register. This will detail a comprehensive record of each employee's training received, including inductions; report when refreshers for tickets and licences are due; as well as identify and prioritise future training opportunities. Noting specific OHS related training that was due to be undertaken during April and May this year has been postponed due to COVID-19, this included Manual Handling, Sharps and Volatile Substance Awareness training.

Health and Safety Intranet page – The City's Health and Safety intranet page has been updated with relevant new forms. The Emergency Plans and updated procedure documents will be uploaded once approved. A new section has been created for the Safety Focus Group correspondence including minutes from meetings as well as identified risks and preventative measures. It is anticipated this page will provide a medium for a proactive approach to health and safety for City employees. The rollout of the Promapp system to all users will also actively engage employees to participate in risk management.

The Waste Water Treatment Facility - has had a transportable ablutions block and lunchroom/office installed on site. This enables the separation of laboratory functions from employee amenities, with the existing office now dedicated to site operations and field testing. Alcohol wash and disinfectant soap solution is accessible to all personnel for handwashing at both facilities and each one undergoes a daily detailed clean.

Throssel Street Depot - A review of the chemical and fuel sheds at the Depot were conducted by the LGIS OHS Program Manager and the City's Health and Safety Advisor. New spill kits for both sheds have been purchased as well as one for the new bowser area. Restricted access to mechanical workshop has been enforced as well as inspections on equipment including the hoist. Chemwatch has been updated, including the review and update of the Safety Data Sheet forms.

Goldfields Oasis Recreation Centre – Access to the chlorine shed has been contained as recommended, security fencing improvements made and new doors installed.

Kalgoorlie and Boulder Town Halls – Updated emergency plans for both halls have been reviewed and modifications made in line with the details provided under the Emergency Procedure heading above. When tours reconvene, the tour fees will be securely held with the Customer Service Officer until after the tour's conclusion. The wooden walkway in the Kalgoorlie Town Hall is not utilised as per recommendation.

Golf Course Depot - In line with the rollout of the new payroll system, access to the City's intranet is available to the Golf Course field staff through the communal iPad. Daily pre-starts of vehicles/plant are being conducted and these logs are registered as per recommendation.

The City has implemented and completed most actions to address the audit findings and once restrictions surrounding the COVID-19 pandemic ease, expects those few in the final stages to be completed. The Paxon Report is now a resource to be

utilised by the City to ensure developed actions are reviewed regularly and updated sufficiently.

STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

Ms Cally Galliers left the meeting 11:53am.

6.2 GENERAL MANAGER - FINANCE AND CORPORATE

6.2.1 COVID-19 IMPACT - REVISED FORECAST TO 30 JUNE 2020

Responsible Officer:	David Trevaskis General Manager Finance and Corporate
Author:	David Trevaskis General Manager Finance and Corporate
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple

OFFICER/COMMITTEE RECOMMENDATION

MOVED BY: MAYOR JOHN BOWLER
SECONDED BY: CR NARDIA TURNER

That the Committee recommend Council receive the Forecast Statement of Comprehensive Income and Forecast Net Current Funding Position to 30 June 2020.

CARRIED
(5/0)

EXECUTIVE SUMMARY

The impact of COVID-19 enforced restrictions has had a significant impact on the operations and revenue of several of the City's business operations. The Goldfields Oasis Recreation Centre, Goldfields Arts Centre and Kalgoorlie Golf Course have been closed due to safety concerns and the Kalgoorlie-Boulder Airport is operating with a greatly reduced flight schedule.

To ensure City finances are managed appropriately staff have identified savings across all business units and capital projects by deferring expenditure and only committing to priority projects for the remainder of this financial year. The purpose of this report is to communicate to Council the revenue and expenditure changes that are anticipated and the impact on the estimated closing cash position for the City at 30 June 2020.

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Community Theme, Goal and Objective:

- CAPABLE: We are exploring funding sources and revenue streams.

BUDGET IMPLICATIONS

As per the attached revised forecasts it is estimated that the City net current funding position at 30 June 2020 will be \$3,911,894 compared to the amended budget estimated surplus of \$2,129,072.

REPORT

The attached statements include a forecast closing cash position of \$2,120,009 compared to a budgeted closing cash position of \$2,117,187. A summary of the expected changes to revenue is included in the following table:

Details	Amended Budget	Revised forecast	% change
Airport fees and charges income	\$12,299,116	\$9,823,335	(20%)
Oasis, GAC, Golf Course and other facilities	\$5,551,946	\$3,927,203	(29%)
Rent and commercial leases	\$2,235,842	\$1,823,538	(18%)
Other fees and charges, including rubbish and sewerage	\$18,095,124	\$17,462,816	(3%)
Total revenue adjustment	\$5,145,136		

To offset this significant reduction to operating revenue the following savings have been identified through reduced services or deferral of projects, as assessed by City officers:

Operations (including materials, salaries and wages)	\$1,570,937
Delayed projects including CBD revitalisation and golf course resort contribution.	\$2,672,748
Other capital expenditure	\$2,684,275
Total expenditure adjustment	\$6,927,960

The City will experience higher than usual levels of unpaid rates and sundry debtors while the restrictions are in place and for a reasonable recovery period after. Both air carriers Qantas and Virgin (voluntary administration) have accumulated debts to mid-April that are not likely to be repaid until later this calendar year. Payment arrangements and negotiations are expected and will be ongoing through this period which will put additional pressure on unrestricted cash in the short term. Debt levels including outstanding rates and sundry debtors are forecast to be \$1.8m higher than budget at 30 June leading to a closing cash position of \$2.1m.

STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

ATTACHMENTS

Revised Forecast Statements 30 June 2020 

6.2.2 RISK REGISTER

Responsible Officer:	David Trevaskis General Manager Finance and Corporate
Author:	Michelle Todd Manager Governance and Legal Services
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple

OFFICER/COMMITTEE RECOMMENDATION

MOVED BY: CR GARY BROWN
SECONDED BY: CR LAURIE AYERS

That the Committee recommend Council receive and endorse the Strategic and Operational Risk Registers for May 2020.

**CARRIED
(5/0)**

EXECUTIVE SUMMARY

On 24 February 2020 Council endorsed the recommendation the Strategic Risk Register be received by the Committee quarterly.

The Committee has resolved to conduct a full review of the Strategic and Operational Risk Registers at the August 2020 Finance and Audit Committee meeting. That review will include a report to the Committee identifying risks in the Strategic Community Plan and how those risks link to the Strategic Risk Register, to support and facilitate the Committee's full review.

Since the last Finance and Audit Committee meeting, the COVID-19 pandemic event has evolved. The register has been amended and updated to identify the risk of a pandemic or other health emergency to the organisation both at the strategic and operational level.

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Community Theme, Goal and Objective:

- CAPABLE: We are continuing to undertake the appropriate risk management and assessment strategies.

BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

REPORT

In accordance with section 17 of the *Local Government (Audit) Regulations 1996*, the CEO is required to review the appropriateness and effectiveness of a Local Government's systems and procedures in relation to, amongst other things, risk management. Those procedures are to be reviewed at least once every 3 years with a report on the results of the review to be presented to the Finance and Audit Committee.

The Finance and Audit Committee receive the Strategic Risk Register quarterly. The Register is a living document and requires constant review. The strategic risks are primarily the responsibility of the elected Council. The register is implemented to ensure strategic risks are:

- Identified;
- Assessed;
- Evaluated for effectiveness of existing controls;
- Assessed for residual risk; and
- Managed through implementation of action plans.

The Strategic Risk Register supports the development and review of Council's Strategic Plan. Given the City's Strategic Community Plan was recently endorsed by Council, it is timely the Committee will be undertaking a full review of the Strategic Risk Register at the next Committee meeting.

Events such as a pandemic/health emergency have the capacity to adversely affect essential service providers including local governments. The COVID-19 pandemic is a risk currently being faced by the world and the City has implemented several measures to reduce the risk to the organisation. The amendment to the risk registers recognises this risk and identifies the current controls in place, as well as actions to be implemented to further mitigate those risks.

The Committee is requested to receive the May 2020 Strategic Risk Register and Operational Risk Register, and if appropriate, recommend for adoption by Council.

STATUTORY IMPLICATIONS

Compliance with section 17 of the *Local Government (Audit) Regulations 1996*.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

ATTACHMENTS

Strategic Risk Register May 2020 

Operational Risk Register May 2020 

6.2.3 ACCOUNTING POLICIES

Responsible Officer:	David Trevaskis General Manager Finance and Corporate
Author:	Xandra Curnock Financial Controller
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple

OFFICER/COMMITTEE RECOMMENDATION

MOVED BY: CR GARY BROWN
SECONDED BY: CR NARDIA TURNER

That the Committee recommends Council endorse the changes to the City's Accounting Policy so it aligns with the supporting notes used in the preparation of annual statements.

**CARRIED
(5/0)**

EXECUTIVE SUMMARY

A review of the City's Accounting Policy has been completed, the purpose of which was to align it with the recent amendments to *Regulation 17A of the Local Government (Financial Management) Regulations 1996*.

COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Community Theme, Goal and Objective:

- **EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.

BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

REPORT

A review of the City's Accounting Policy has been completed, the purpose of which was to align it with the recent amendments to *Regulation 17A of the Local Governments (Financial Management) Regulations 1996*.

Only one item required altering in this policy:

- Item 1.4.4 *Revaluation of Non-current Assets* is to be adjusted to reflect changes in regulations. The City has decided to take advantage of the extended timeframes for Fixed Asset Revaluations, therefore these are now to occur every 5 years.

STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

POLICY IMPLICATIONS

The Policy document will be updated as recommended by the Committee and endorsed by Council.

COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

ATTACHMENTS

Corp-F-004 Accounting Policy 

7 CONFIDENTIAL ITEMS

8 CLOSURE

There being no further business, the Chairman,Chairperson Allan Pendal , thanked those present for their attendance and declared the meeting closed at 12:31pm.