

MINUTES

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

Held in the Flannel Flower Room, Civic Centre, Dee Why on

TUESDAY 10 DECEMBER 2019

Meeting commenced at 2:16pm

Minutes of the Audit, Risk and Improvement Committee Meeting held on Tuesday 10 December 2019 in the Flannel Flower Room, Civic Centre, Dee Why

ATTENDANCE:

Voting Members of the Committee

Mr Stephen Horne (Chair)
Mr Mark McCoy
Ms Sarah Richardson (via conference call)
Ms Julie Walton
Cr Sarah Grattan
Cr Sue Heins
Cr David Walton

Council Officers (non-voting)

Mr Ray Brownlee PSM	Chief Executive Officer
Mr Jeff Smith	Director Corporate & Legal
Ms Karen Twitchett	Director Workforce & Technology
Mr Todd Dickinson	Director Environment & Sustainability
Mr David Walsh	Chief Financial Officer
Ms Caroline Foley	Executive Manager Financial Planning & Systems
Mr Campbell Pfeiffer	Executive Manager Property
Ms Sonya Gallery	Executive Manager Governance & Risk
Mr Mark Jones	Executive Manager Strategy Performance & Improvement
Ms Mary Ruppington	Acting Executive Manager Internal Audit & Complaints Resolution
Mr Terry Burrell	Deputy CFO Transactional Accounting
Ms Kristie Debney	Manager Property Commercial & Tourist Assets
Mr Michael McDermid	Manager Corporate Strategy
Ms Karen McLoughlin	Manager IT Projects & Improvement
Mr Rob Koopman	Manager Insurance & Risk
Ms Julieri De Florio	Business Support Coordinator
Ms Pamela Tasker	Administration Officer Internal Audit

Council Auditors (non-voting)

Ms Karen Taylor	Director of Financial Audit Services, Audit Office of NSW
Ms Monique Bartley	Audit Leader, Financial Audit Services, Audit Office of NSW
Ms Sarah Cain	Internal Audit, Partner, KPMG
Ms Aisling Kilgannon	Internal Audit, Senior Manager, KPMG

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1.0 APOLOGIES

NOTES

1. Ms Sarah Richardson attended the meeting via conference call.
2. An apology was received from Mr Prakash Wilson, Internal Audit Partner KPMG.

2.0 DISCLOSURES OF INTEREST

There were no disclosures of interest.

3.0 CONFIRMATION OF MINUTES

3.1 MINUTES OF AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETINGS HELD 13 AUGUST 2019 AND 3 SEPTEMBER 2019

COMMITTEE RESOLUTION

1. That the Minutes of the Audit, Risk and Improvement Committee meeting held 13 August 2019, copies of which were previously circulated to all members, be confirmed as a true and correct record of the proceedings of that meeting.
2. That the Minutes of the Audit, Risk and Improvement Committee meeting held 3 September 2019, copies of which were previously circulated to all Members, be confirmed as a true and correct record of the proceedings of that meeting.

(Mr Horne / Ms Walton)

4.0 ACTION ITEMS FROM MINUTES

4.1 ACTION ITEMS FROM MINUTES

PURPOSE

To provide the Audit, Risk and Improvement Committee with a progress update on the actions arising from the Minutes of previous meetings of the Committee.

PRECIS

Action items arising from Audit, Risk and Improvement Committee meetings are minuted and responsibility assigned. Progress is tracked and reported to the Committee at subsequent meetings.

PROCEEDINGS IN BRIEF

Ms Mary Ruppington, Acting Executive Manager Internal Audit and Complaints Resolution, addressed the meeting on this item.

NOTES

The Committee voiced its appreciation that action items from meetings are being addressed as they arise and that there were no overdue or long outstanding action items reported.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the progress on actions arising from the Minutes of previous meetings.

(Ms Walton / Mr McCoy)

5.0 STANDING ITEMS**5.1 VERBAL UPDATE BY THE CHIEF EXECUTIVE OFFICER****PURPOSE**

To advise the Committee with a brief update on current issues, particularly those relating to areas of potential risk for Council.

PRECIS

The Chief Executive Officer provides the Committee with an update on current issues under consideration by Council, particularly any issues which may present a potential risk of which the Audit, Risk and Improvement Committee members should be aware.

PROCEEDINGS IN BRIEF

Mr Ray Brownlee PSM, Chief Executive Officer, provided the Committee with an update on the Waste Collection contract, particularly the monthly reconciliation process to be undertaken to safeguard the integrity of data in the customer database; and an additional review requested to be undertaken by internal audit in the new year.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the verbal update by the Chief Executive Officer.

(Cr Heins / Cr Grattan)

NOTE

Mr Walsh, Ms Foley and Mr Burrell joined the meeting at 2.25pm.

5.2 FINANCE UPDATE**PURPOSE**

To provide an update on the financial performance of the Council as at 30 September 2019.

PRECIS

As at 30 September 2019 the Council is forecast to exceed its key financial performance ratios with income net operating expenses tracking to budget overall.

Investment performance over the period 1 July 2019 to 30 September 2019 was strong having exceeded the benchmark: 2.40%pa vs 1.82%pa. However investment returns are lower than budget reflecting the impact of the Reserve Bank's decision to lower cash rates on three occasions since June 2019 and a decline in margins.

PROCEEDINGS IN BRIEF

Mr David Walsh, Chief Financial Officer, and Ms Caroline Foley, Executive Manager Financial Planning and Systems, addressed the meeting on this item.

NOTES

1. The Committee participated in a broad discussion regarding the financial performance results as at 30 September 2019 and the basis behind reported year-to-date budget variances.
2. The Committee recommended that performance ratios be expanded to include prior year budget and current year-to-date results.
3. The Committee recommended that consideration be given to the visual representation of financial performance graphs and charts aligned to those of a dashboard.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the finance update as at 30 September 2019.

(Cr Grattan / Cr Heins)

6.0 SPECIAL AGENDA ITEMS**6.1 ANNUAL INVESTMENT POLICY REVIEW****PURPOSE**

To provide the Investment Policy to the Audit, Risk and Improvement Committee for review in accordance with that Policy.

PRECIS

Council's Investment Policy was adopted by Council on 28 September 2016 and is now due for its annual review by the Audit, Risk and Improvement Committee in accordance with Clause 3.7.

The Policy has been reviewed by Council's Investment Advisors (Laminar Capital Pty Ltd) in August 2019. Council's Investment Advisors confirmed that the current policy "remains consistent with the Ministerial Investment Order and guidelines issued by the Chief Executive (Local Government), Department of Premier and Cabinet" and that they "do not recommend any changes to the list of approved investments or credit limit frameworks."

A circular issued by the Office of Local Government (OLG) on 10 October 2017 advised that they will undertake a broader review and update of the Ministerial Investment Order and Investment Guidelines in the coming months and will consult with councils as part of that process. The OLG has not released any further information in relation to this matter and has not yet commenced any consultation process with Councils in relation to their proposed review and update of the Ministerial Investment Order and Investment Guidelines.

PROCEEDINGS IN BRIEF

Mr David Walsh, Chief Financial Officer, addressed the meeting on this item.

NOTES

1. The Committee noted the process undertaken by management to review the Investment Policy and the advice relied upon in determining that no changes to the Policy were required as part of the annual review undertaken.
2. The Committee recommended that management consider the suitability of the current portfolio exposure limits within the Overall Portfolio and Institutional Credit Frameworks within the Investment Policy.
3. The Committee participated in extensive discussions surrounding the 'Emerald Series 2006-1 Class A' Mortgage Backed Securities and recommended that consideration be given for Council's Investment Advisors providing further advice on the valuation methodology and opportunities for the potential sale of the investment.

ACTION ITEMS

- ***That if practicable, a representative from Council's Investment Advisors attend a future meeting to discuss the valuation methodology and opportunities for the potential sale of the Emerald II Reverse Mortgage Series 2006-1 Trust.***

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the review of the Investment Policy and no changes to the Policy were recommended by the Committee necessitating a report to Council.

(Cr Walton / Cr Grattan)

NOTES

1. Mr Walsh, Ms Foley and Mr Burrell left the meeting at 2.50pm.
2. Mr Pfeiffer and Ms Debney joined the meeting at 2.51pm.

6.2 LEASES AND LICENCES REGISTER**PURPOSE**

To present to the Audit, Risk and Improvement Committee a proposed Leases and Licences Register (Register) and seek their input regarding the information to be contained within the Register, how that Register should be published and how often.

PRECIS

At Council's 28 May 2019 ordinary meeting a Notice of Motion was put forward for Council to maintain and publish a lease and licence register annually, and that the Audit, Risk and Improvement Committee have input into the design of the Register.

PROCEEDINGS IN BRIEF

Mr Campbell Pfeiffer, Executive Manager Property, and Ms Kristie Debney, Manager Property Commercial and Tourist Assets, addressed the meeting on this item.

NOTES

1. The Committee assessed and discussed the appropriateness of information proposed for inclusion in Council's Leases and Licences Register with key consideration to transparency and accountability.

2. The Committee recommended that a complete consolidated register be provided to the ARIC and Councillors to review annually and that any personal and sensitive information be thereafter removed prior to making the Leases and Licences Register publically available.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the proposed information and the format of the information to be published within the Lease and Licence Register.

(Cr Heins / Cr Walton)

NOTES

1. Mr Pfeiffer and Ms Debney left the meeting at 3.07pm.
2. Ms Karen McLoughlin joined the meeting at 3.08pm.

6.3 REVIEW SYSTEM ISSUE EXPOSING CUSTOMER DATA

PURPOSE

To present to the Audit, Risk and Improvement Committee (ARIC) a review of the causal factors that resulted in the exposure of customer data and the associated remediation steps.

PRECIS

On 11 September 2019 Council was made aware that a customer's personal data was available on the Council's website. An investigation identified that a specific set of Salesforce coding and TechnologyOne integration errors occurring in a particular sequence had enabled Google to access customer data from the customer portal in the Customer Relationship Management System. The issue affected 74 customers and resulted in the data of 5 out of 74 customers being accessed by a third party. The five affected customers were contacted by phone and the remaining 69 customers received email notification. The extent of change in data security places priority on Council to have the appropriate response and escalation process in place. Council commissioned an external review into the incident, the response and the change control process. A technical review also considered the Salesforce code and remediation steps. The findings from the two external reviews have been considered and the actions in response have either been taken or are in progress to mitigate further exposures of a similar kind occurring in the future, and to best position Council to maintain and support community trust and confidence.

PROCEEDINGS IN BRIEF

Ms Karen Twitchett, Director Workforce and Technology, and Ms Karen McLoughlin, Manager IT Projects and Improvement, addressed the meeting on this item.

NOTES

1. The Committee acknowledged that an important test when encountering cyber issues was how to respond and that this had been handled well by Council management and staff.
2. The Committee acknowledged the significant role played by an experienced customer services officer with the underlying knowledge and awareness to recognise the potential data breach. This facilitated the timely escalation and address of the issue by management.
3. The Committee recommended management continue working on knowledge sharing across the organisation and specifically for users of systems, including training and awareness, and the documentation of applicable processes and procedures.

4. The Committee noted that the incident was reported to the Information and Privacy Commission NSW (IPC) as a Voluntary Data Breach Notification, and that no response had been received from the IPC following notification.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted:

1. the external review findings, recommendations and the actions agreed;
2. that the 2020 cybersecurity report be brought to the ARIC to confirm the completion of actions relating to the security breach.

(Cr Grattan / Ms Walton)

6.4 INFORMATION & DIGITAL TECHNOLOGY RISK REGISTER REVIEW

PURPOSE

To present to the Audit, Risk and Improvement Committee (ARIC) the updated Information & Digital Technology risk register in support of good corporate governance.

PRECIS

At the ARIC meeting of 18 June 2019, the ARIC endorsed a biannual risk reporting schedule to ensure that Information & Digital Technology risks were regularly reported to those charged with governance.

The Northern Beaches Council's Information & Digital Technology Risk Register was internally updated 3 October 2019 in consideration of risk related events in the past six months and to reflect the risk assessment matrices adopted by Council on 24 September 2019.

PROCEEDINGS IN BRIEF

Ms Karen Twitchett, Director Workforce and Technology, and Ms Karen McLoughlin, Manager IT Projects and Improvement, addressed the meeting on this item.

NOTES

1. The Committee expressed that cyber is one of the most prevalent risks facing organisations and acknowledged the discipline and process undertaken by management in reviewing cyber risks and mitigating controls on a systematic basis.
2. The Committee recognised Council's participation in local government cyber network groups as an invaluable opportunity to leverage knowledge and experience on cyber matters, thereby facilitating a proactive rather than reactive approach to cyber risks.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the update to the Information & Digital Technology Risk Register.

(Cr Walton / Cr Heins)

NOTES

1. Mr Walsh and Ms Foley re-joined the meeting at 3.26pm.
2. Ms McLoughlin left the meeting at 3.35pm.

6.5 HIGH LEVEL RESULTS 2019 EMPLOYEE ENGAGEMENT SURVEY

PURPOSE

To present to the Audit, Risk and Improvement Committee (ARIC) the high level organisational results of the October 2019 employee engagement survey.

PRECIS

The Northern Beaches Council aspires to be an employer of choice (principle 4 of the Northern Beaches Council Corporate Strategy) and to embed and continuously improve leadership, systems and processes that support a highly engaged workforce. The VOICE Project, a leading survey provider, was engaged to partner with Council to conduct the October 2019 survey which sets a benchmark for employee engagement and well-being, identifies the views of staff in relation to the progress of the Northern Beaches Council, and the perception of lived organisational values. The survey results are primarily within the moderate range (50% < 80%). Five high performing performance domains and five lower performing domains are outlined in the report which also identifies the areas for action that can best improve employee engagement and performance. There are clear areas for improvement at the organisational level and while there are nuances across the Divisions and Business Units the patterns for responses are remarkably similar. The results are being communicated during November and December and are being workshopped by Directors and Executive Leaders to determine the best actions in response to incorporate in 2020/21 Divisional Plans. The next all staff engagement survey will be conducted in late 2021.

PROCEEDINGS IN BRIEF

Ms Karen Twitchett, Director Workforce and Technology, addressed the meeting on this item.

NOTES

1. The Committee acknowledged that the survey participation rate of 85% was noteworthy and a great achievement.
2. The Committee acknowledged that the survey results reflect positively on the organisation and provide management with good quality data to further inform their People Plan.
3. The Committee recommended management revisit any proposed key organisational actions following survey participant workshops, which may provide further insights into applicable key drivers.
4. The Committee recommended that employee wellbeing be at the forefront of the final action plan.
5. The Committee noted that a 'pulse' survey is scheduled for October 2020 to gauge success of interim programs, with a focus on lower performing items, ahead of the next full survey to be undertaken in October 2021.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the bi-annual engagement survey results, the communication plan and the action-planning phase that commenced in November.

(Cr Heins / Cr Grattan)

7.0 EXTERNAL AUDIT

7.1 AUDIT OFFICE CLOSING REPORT AND MANAGEMENT LETTER FOR THE 2018-19 FINANCIAL YEAR

PURPOSE

To provide the Audit, Risk and Improvement Committee (ARIC) with the Audit Office of NSW Engagement Closing Report and Management Letter for the year ended 30 June 2019 for their review and an update on the implementation of recommendations raised in the 2018 interim and 2019 final audit Management Letters.

PRECIS

The Engagement Closing Report informs the Chief Executive Officer, the Mayor and the ARIC of audit findings relevant to their responsibilities and oversight of Council's financial statements. Following the completion of the final phase of the audit of Northern Beaches Council's 2019 financial statements, the Audit Office of NSW have provided their Management Letter. Three issues have been raised in the management letter:

1. High numbers of staff with privileged user access to all roles within the TechOne application in the Office of the Chief Information Officer;
2. Active Directory password management, with a small number of users (mostly IT staff including systems administrators) authenticated by the legacy domains and noted there is no account lockout policy being enforced on these domains. This results in an increased risk of unauthorised access to key systems, as sufficiently robust password parameters are not in place; and
3. Council runs payroll compliance reports to analyse variances between pay runs and results of the review are stored in HP Content Manager (HPCM) but there is no evidence of sign-off by the preparer and/or the reviewer.

Audit recommendations from the 2018 interim and 2019 final audit of Council's financial statements have been input into the Status Tracker. There were 10 recommendations in the Interim Audit Management Letter, all of which have been addressed. Of the three recommendations made in the Final Audit Management Letter, one has been implemented and the remaining recommendations are currently in progress to be completed in the next few months.

PROCEEDINGS IN BRIEF

Ms Karen Taylor, Director of Financial Audit Services, Audit Office of NSW, Ms Monique Bartley, Audit Leader, Financial Audit Services, Audit Office of NSW, Mr David Walsh, Chief Financial Officer, and Ms Caroline Foley, Executive Manager Financial Planning and Systems, addressed the meeting on this item.

NOTES

1. The Committee acknowledged the clean Engagement Closing Report prepared by the Audit Office of NSW, and an appreciation for management's contribution to the audit process and timely clearance of audit recommendations arising from prior year audits.
2. The Committee noted the Audit Office of NSW remarks on the exceptional quality of financial reporting at Northern Beaches Council.
3. The Chair acknowledged that management's preparedness for the new accounting standards is noteworthy and ahead of most councils.

COMMITTEE RESOLUTION

1. The Audit, Risk and Improvement Committee noted the Audit Office of NSW Management Letter on the Audit for the year ended 30 June 2019, the 2019 Engagement Closing Report and the status of the implementation of Interim and 2019 Final Audit Management Letter recommendations.
2. The Audit, Risk and Improvement Committee noted that Management's progress with the implementation of the audit recommendations will continue to be reported at each Audit, Risk and Improvement Committee meeting.

(Cr Grattan / Cr Heins)

NOTES

1. Mr Walsh and Ms Foley left the meeting at 4.04pm.
2. Mr Todd Dickinson joined the meeting at 4.05pm.
3. Ms Taylor and Ms Bartley left the meeting at 4.06pm.

8.0 INTERNAL AUDIT

8.1 INTERNAL AUDIT ACTIVITY UPDATE

PURPOSE

To provide the Audit, Risk and Improvement Committee (ARIC) with an update on internal audit activities since the most recent meeting.

PRECIS

Internal audit projects have been undertaken in accordance with the approved Strategic Internal Audit Plan and 2019-20 Internal Audit Annual Plan. Further reviews have been undertaken as requested by the Chief Executive Officer. Internal audit activity which has taken place since the most recent meeting of the ARIC on 13 August 2019 is outlined below.

Audits and Reviews Completed:

The following audits and reviews have been completed, with reports presented to the ARIC at the meeting of 10 December 2019:

- Procurement
- Fleet Management
- Parking Operations
- Development Applications Assessment
- Councillor Expenses
- District Park Post Project Review (*additional review requested by the CEO*)
- Bin Replacement Project Post Implementation Review (*additional advisory review requested by the CEO*)

Audits in Progress:

The following audits are in various stages of fieldwork and scheduled to be presented to the ARIC at the subsequent meeting of 10 March 2020:

- Data Analytics: Core Transactions
- Privacy Management

PROCEEDINGS IN BRIEF

Mr Ray Brownlee PSM, Chief Executive Officer, Mr Todd Dickinson, Director Environment & Sustainability, Mr Jeff Smith, Director Corporate & Legal, Ms Mary Ruppington, Acting Executive Manager Internal Audit and Complaints Resolution, Ms Sarah Cain, Internal Audit Partner KPMG and Ms Aisling Kilgannon, Internal Audit Senior Manager KPMG, addressed the meeting on this item.

NOTES

1. The Committee participated in extensive discussions on key findings and recommendations arising from completed audits and review, with particular focus on findings of higher risk.
2. The Committee acknowledged the key strengths identified by internal audit as part of each audit and review undertaken.
3. The Committee noted management's comments and overall response to each completed audit and review, as well as actions undertaken and planned to address audit recommendations and areas of improvement.
4. The Committee acknowledged that policies and processes of the three former councils continue to be harmonised.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted:

1. the update provided on internal audit activities since the most recent meeting on 13 August 2019;
2. the completed internal audit reports, including findings, recommendations and actions to be taken by management.

(Cr Grattan / Cr Walton)

NOTE

Mr Dickinson left the meeting at 5.15pm.

8.2 IMPLEMENTATION OF INTERNAL AUDIT RECOMMENDATIONS**PURPOSE**

To provide the Audit, Risk and Improvement Committee (ARIC) with a status update on the implementation of audit recommendations arising from completed internal audits.

PRECIS

Audit recommendations arising from completed internal audits are input into the Internal Audit Recommendations Status Tracker, with assigned management responsibility and due date for implementation. Management's progress with the implementation of internal audit recommendations is reported at each ARIC meeting to evaluate the adequacy, effectiveness and timeliness of actions taken by management on reported findings and recommendations.

PROCEEDINGS IN BRIEF

Ms Mary Ruppington, Acting Executive Manager Internal Audit and Complaints Resolution, addressed the meeting on this item.

NOTES

The Committee expressed its appreciation for the timely closure of audit recommendations by management and that there were no audit recommendations reported as overdue.

COMMITTEE RESOLUTION

That the Audit, Risk and Improvement Committee note the status of implementation of internal audit recommendations by management.

(Ms Walton / Mr Horne)

NOTE

Mr Jones and Mr McDermid joined the meeting 5.18pm.

9.0 IMPROVEMENT**9.1 NORTHERN BEACHES COUNCIL IMPROVEMENT REPORT****PURPOSE**

To provide the Audit, Risk and Improvement Committee (ARIC) with an update on the Northern Beaches Council's improvement initiatives.

PRECIS

This Report provides an overview of Council's improvement initiatives being undertaken.

The Report will brief the ARIC on the new strategies and plans associated with improvement, improvement initiatives underway within Council, progress of the Business Process Management Program, the outcomes of the recent Community Research Survey, the performance results in the Annual Report 2018/19 and for the September 2019 Quarter.

PROCEEDINGS IN BRIEF

Mr Mark Jones, Executive Manager Strategy Performance and Improvement, and Mr Michael McDermid, Manager Corporate Strategy, addressed the meeting on this item.

NOTES

1. The Committee participated in broad discussions on customer satisfaction and its significance on Council services in informing areas of focus and improvement, with consideration to priorities in relation to customer importance and satisfaction.
2. The Committee acknowledged the meaningful results arising from the multi-fronted community satisfaction survey undertaken, and that the process undertaken by management in interpreting and analysing the responses can be viewed as an alternative way to undertake service reviews.
3. The Committee acknowledged management's innovative way of benchmarking, which included NSW councils as well as its own community.
4. The Committee noted that effective communication on Council's performance can aid in mitigating misconceptions on service level shortfalls.

5. The Committee noted the importance of sharing performance data with other councils as a valuable benchmarking exercise.
6. The Chair noted that Northern Beaches Council is a leading example on reporting on improvements to the Audit, Risk and Improvement Committee and the Committee expressed its appreciation for the report.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the report on improvements.

(Cr Grattan / Cr Heins)

NOTE

Mr Jones and Mr McDermid left the meeting at 5.33pm.

10.0 FRAUD AND RISK MANAGEMENT

10.1 GOVERNANCE AND RISK UPDATE

PURPOSE

To provide the Audit, Risk and Improvement Committee (ARIC) with an update on governance and risk management activities.

PRECIS

The report provides an update to the ARIC on governance and risk management activities over the period May 2019 to November 2019, noting the last full update to the ARIC on governance and risk management activities was at the May 2019 ARIC meeting.

PROCEEDINGS IN BRIEF

Ms Sonya Gallery, Executive Manager Governance and Risk, and Mr Rob Koopman, Manager Insurance and Risk, addressed the meeting on this item.

NOTES

The Committee acknowledged the noteworthy progress made by management on the legislative compliance register, a management letter recommendation raised by the Audit Office applicable to all councils. The Committee further noted the potential for future collaboration with Local Government NSW on a centralised legislative compliance register, and recommended the Chair consider enlisting the support of the Audit Office of NSW on the matter.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the governance and risk management update.

(Cr Walton / Cr Grattan)

10.2 MAJOR PROJECTS - RISK STATUS UPDATE

PURPOSE

To provide the Audit, Risk and Improvement Committee with an updated summary as at December 2019 of current major organisational and capital works projects and their key risks.

PRECIS

This report provides an outline of key Council projects of substantial size, value or risk; and provides an updated summary of the key risks, the risk status and the mitigating actions or controls in place for these projects.

PROCEEDINGS IN BRIEF

Mr Ray Brownlee PSM, Chief Executive Officer, and Ms Sonya Gallery, Executive Manager Governance and Risk, addressed the meeting on this item.

NOTES

1. The Committee acknowledged the significance of the major project risk reporting framework.
2. The Committee noted that it may be appropriate for management to consider a revised list of major projects for future ARIC reporting.

ACTION ITEMS

- ***That the Committee be provided with a list of major projects of significance to the ARIC for future reporting.***

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the summary as at December 2019 of the major organisational projects of significant size, value or risk, and the mitigating actions or controls relating to the key risks of these projects.

(Cr Heins / Cr Walton)

10.3 COMPLAINTS MANAGEMENT AND RESOLUTION UPDATE

PURPOSE

To present to the Audit, Risk and Improvement Committee information relating to complaints received, including alleged breaches of the Code of Conduct, complaints made under the Public Interest Disclosures Act 1994 (PID), and referrals to or from The Independent Commission Against Corruption (ICAC) and the NSW Ombudsman.

PRECIS

The report presents information on complaints received, including alleged breaches of the Code of Conduct and enquiries from the ICAC and the NSW Ombudsman for the quarter 1 July 2019 – 30 September 2019. There were no complaints made under the Public Interest Disclosures Act 1994 for the quarter. The report also sets out key outcomes of complaints received and improvement opportunities identified and undertaken.

PROCEEDINGS IN BRIEF

Mr Ray Brownlee PSM, Chief Executive Officer, Mr Jeff Smith, Director Corporate and Legal, and Ms Mary Ruppington, Acting Executive Manager Internal Audit and Complaints Resolution, addressed the meeting on this item.

NOTES

1. The Committee noted that the complaints reported for the quarter were deemed reasonable and that the emphasis should be on the resolution of such complaints.
2. The Committee acknowledged the useful information and insights provided in the report.
3. The Committee acknowledged that the complaints reporting mechanism can be viewed as a valuable tool to identify potential areas of improvement given that a complaint is the most direct customer feedback available to any organisation.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the information provided in the report.

(Cr Heins / Cr Grattan)

11.0 GENERAL BUSINESS**11.1 OTHER MATTERS****NOTES**

1. The ARIC members held in-camera sessions with Internal and External Audit prior to the meeting as per the conditions of the ARIC Charter.
2. The ARIC members met in-camera prior to the meeting to discuss ARIC operations for 2020.
3. The ARIC members to complete a self-assessment as per the conditions of the ARIC Charter.
4. The ARIC Annual Report to Council will be prepared out of session ahead of the next scheduled ARIC meeting.
5. The ARIC members to consider Council's proposed submission to the OLG on the Risk Management and Internal Audit Framework Discussion Paper and prepare an Addendum for inclusion as part of the submission.

12.0 2020 MEETINGS SCHEDULE

The schedule for meetings of the Audit, Risk and Improvement Committee in 2020 is as follows:

Tuesday, 10 March, 2020
Tuesday, 9 June, 2020
Tuesday, 8 September, 2020
Tuesday, 8 December, 2020

All meetings commence at 2.00pm unless otherwise advised. Each meeting location is to be confirmed as venues become available.

Meeting closed at 5.55pm.