



northern  
beaches  
council

# MINUTES

## **AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING**

held via audio-visual link on

**TUESDAY 12 APRIL 2022**

**Minutes of the Audit, Risk and Improvement Committee Meeting**  
**held on Tuesday 12 April 2022 (deferred from 3 March)**  
**held via audio- visual link**  
**Commencing at 2:03pm**

**ATTENDANCE:**

**Voting Members of the Committee**

Mr Stephen Horne (Chair)  
Mr Mark McCoy  
Ms Sarah Richardson  
Ms Julie Walton  
Cr Bianca Crvelin  
Cr Sarah Grattan  
Cr Sue Heins

**Council Officers (non-voting)**

Mr Ray Brownlee PSM	Chief Executive Officer
Mr Mark Jones	Acting Director Workforce & Technology
Mr David Walsh	Chief Financial Officer
Ms Caroline Foley	Executive Manager Financial Planning & Systems
Ms Deirdre Cooper	Executive Manager Internal Audit & Complaints Resolution
Ms Sarah Dunstan	Executive Manager Governance & Risk
Ms Amy Noakes	Executive Manager Human Resources
Mr Rob Koopman	Manager Insurance & Risk
Ms Aline Fernandes	Internal Auditor
Ms Katie Kirwan	Senior Advisor Governance
Mr Michael McDermid	Manager, Corporate Strategy
Ms Tracey Gigg	Risk Officer
Ms Nicki Adams	Executive Officer
Mr Todd Dickinson	Director Environment & Climate Change

**Council Auditors (non-voting)**

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

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Note: The Chair gave an Acknowledgement of Country and welcomed new Committee members.

## **1.0 APOLOGIES**

Jeff Smith, Director Corporate & Legal

Karen Twitchett, Director Workforce & Technology

## **2.0 DISCLOSURES OF INTEREST**

Nil

## **3.0 CONFIRMATION OF MINUTES**

### **3.1 MINUTES OF AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD 14 DECEMBER 2021**

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#### **COMMITTEE RESOLUTION**

That the minutes of the Audit, Risk and Improvement Committee meeting held 14 December 2021, copies of which were previously circulated to all members, are hereby confirmed as a true and correct record of the proceedings of that meeting.

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## **4.0 ITEMS RESOLVED BY EXCEPTION**

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Nil.

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## **5.0 ACTION ITEMS FROM MINUTES**

### **5.1 ACTION ITEMS UPDATE**

#### **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.

#### **DISCUSSION**

The Chair addressed the meeting.

The Committee noted that the review of risks above tolerance to inform the internal audit program was complete and the action can be closed.

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## COMMITTEE RESOLUTION

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

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## 6.0 STANDING ITEMS

### 6.1 VERBAL UPDATE BY THE CHIEF EXECUTIVE OFFICER

*Note: Todd Dickinson joined the meeting at 2:30pm*

#### PURPOSE

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

#### DISCUSSION

The Chief Executive Officer (CEO) raised the following matters for discussion:

- Seven new councillors were elected bringing the total female councillors to eight. Induction and onboarding are underway and due to be complete by May.
- The options regarding the process established by the Minister for Local Government through the Independent Pricing and Regulatory Tribunal for Council's to apply for a higher increase that is consistent with the Council's expected level of rating income (to a maximum of 2.5%). The ARIC noted the importance of taking up the option to reduce risk to Council.
- Management of workload pressures and employee fatigue as a result of staff impacted by Covid, flood and storm responses including proposed actions to reduce leave balances (and the impact on resourcing as a result of this) and support for staff wellbeing. The Chair suggested that this be updated in Council's risk register and kept as a discussion item with the Committee.
- Todd Dickinson joined the meeting to provide an overview of Council's incident management team and processes and how Council manages this in the context of the Auditor General's report on Local Government business and service continuity arrangements during natural disasters.

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## COMMITTEE RESOLUTION

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

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## 6.2 FINANCE UPDATE

Note: Caroline Foley and David Walsh joined the meeting at 2:39pm

### PURPOSE

To provide an update on the financial performance of Council as at 31 December 2021.

### DISCUSSION

Caroline Foley, Executive Manager Financial Planning addressed the meeting.

The Committee discussed the financial performance of Council and future forecasts.

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### COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the finance update as at 31 December 2021.

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## 6.3 WORK HEALTH & SAFETY AND INJURY MANAGEMENT UPDATE JULY 2021 TO DEC 2021

Note: Amy Noakes joined the meeting at 2:49pm

### PURPOSE

To provide the Audit, Risk and Improvement Committee with an update on Work Health & Safety and Workers Compensation at Northern Beaches Council for the period July 2021 to December 2021.

### DISCUSSION

Amy Noakes, Executive Manager Human Resources addressed the meeting.

The Committee discussed the report and management of workers compensation including the ongoing impact of the pandemic. A Noakes noted that there is a strong focus on managing staff wellbeing and the Committee discussed KPI metrics regarding Council's wellbeing initiatives. A Noakes also provided an update on staff vaccination arrangements.

### COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the update as at December 2021.

## 7.0 IMPROVEMENT

### 7.1 PERFORMANCE REPORTING UPDATE

Note: Michael McDermid joined the meeting at 2:55pm

#### PURPOSE

To report on performance as of December 2021 against measures in Council's Operational Plan 2021/22.

#### DISCUSSION

Michael McDermid, Manager Corporate Strategy addressed the meeting.

M McDermid noted that it is anticipated the performance results for the next quarter will show the impact from recent weather events.

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#### COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the report including that performance of Council services continues to be impacted by COVID-19.

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### 7.2 CONTINUOUS IMPROVEMENT REPORT

#### PURPOSE

To provide the Committee with an update on the Northern Beaches Council's continuous improvement program.

#### DISCUSSION

Mark Jones, Executive Manager Strategy and Performance addressed the meeting.

M Jones provided commentary around the difference between process improvements and projects that are subject to a project management methodology. The Committee discussed strategic options and the CEO noted these are for the new Council to determine with those service review conversations starting shortly. The Committee discussed the workload and cost impost of the improvements identified and opportunities to accelerate some initiatives or use agile methodology across the business. M Jones noted some opportunities identified within business areas were also capable of being rolled across the organisation.

#### ACTION ITEMS

M Jones to consider including a workload indicator at the beginning of each of the actions: high resource/low priority, what is in progress, what is completed.

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#### COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the progress of Council's continuous improvement programs.

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### 7.3 BENCHMARKING PROGRAM 2021/22

#### PURPOSE

To provide an update on the Benchmarking Program 2021/22.

#### DISCUSSION

M Jones addressed the meeting.

The Committee discussed the potential benefits of such benchmarking and management of the data including from previous benchmarking programs to inform trend analysis. The CEO advised he is discussing with four other councils a possibility to develop a pilot of the program. He noted that a lot of the data is already available via the Office of Local Government.

#### COMMITTEE RESOLUTION

That:

- A. The Audit, Risk and Improvement Committee endorsed the new benchmarking program.
- B. A report on benchmarking of workforce, finance and operations be presented to the June 2022 Audit, Risk & Improvement meeting.
- C. An update on the pilot bespoke benchmarking program be provided at the Audit, Risk & Improvement Meeting of June 2022.

## 8.0 FRAUD AND RISK MANAGEMENT

### 8.1 GOVERNANCE AND RISK MANAGEMENT UPDATE

Note: Rob Koopman and Tracey Gigg joined the meeting at 3:46pm

#### PURPOSE

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

#### DISCUSSION

Sarah Dunstan, Executive Manager Governance and Risk, and Rob Koopman, Manager Insurance and Risk addressed the meeting with the Committee accepting the report as read.

#### COMMITTEE RESOLUTION

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



## 8.2 DRAFT NORTHERN BEACHES DISCRETIONARY FUND POLICY

Note: Nicki Adams joined the meeting at 3:49pm

### PURPOSE

To review proposed amendments to the Northern Beaches Discretionary Fund Policy.

### DISCUSSION

Nick Adams, Executive Officer addressed the meeting.

The Committee discussed generally the reputational risks associated with discretionary initiatives in the government sector. N Adams provided the Committee with an overview of how the policy currently operates, the application and selection process and examples for which this fund is used, noting that it is intended for small and varied amounts and for causes Council is unable to budget for. The Committee provided some suggestions for consideration regarding the policy and process.

### COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee considered the draft Northern Beaches Discretionary Fund Policy and provided comments which can be included in a report to Council.

## 10.0 EXTERNAL AUDIT

### 10.1 PLANNING FOR THE 2021/22 FINANCIAL STATEMENTS AUDIT

#### PURPOSE

To present the Audit Office of NSW's Annual Engagement Plan for the audit of Northern Beaches Council's financial statements for the period 1 July 2021 to 30 June 2022 to the Audit, Risk and Improvement Committee.

#### DISCUSSION

Karen Taylor, Director of NSW Financial Audit Services addressed the meeting.

K Taylor discussed the development contributions audit and noted that staff have started their field work. K Taylor provided the Committee with an overview of measures taken to reduce audit costs, noting the impact of auditing standards on costs and the performance of the Audit Office in regards to benchmarking.

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### COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the Audit Office of NSW's Annual Engagement Plan for the audit of the financial statements for the period 1 July 2021 to 30 June 2022.

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## 11.0 INTERNAL AUDIT

### 11.1 INTERNAL AUDIT UPDATE REPORT

#### PURPOSE

To provide an update to the Audit, Risk and Improvement Committee on all aspects of Internal Audit work since the December meeting.

#### DISCUSSION

Deidre Cooper, Executive Manager Internal Audit and Complaints Resolution addressed the meeting.

D Cooper discussed current audits underway and noted the overall positive results for the reporting period, with some minor gaps in policy and practices to be formalised in writing.

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#### COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the report.

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## 12.0 GENERAL BUSINESS

*Note 1: The Committee moved into in-camera at 4.50pm with the following staff remaining present Ray Brownlee, Deidre Cooper and Sarah Dunstan.*

*Note 2: The Committee re-appointed Mr Stephen Horne as Chair for the remainder of the term.*

*Note 3: The Committee moved into in-camera at 5pm with Deidre Cooper remaining present.*

### 12.1 AGENDA ITEMS FOR NEXT MEETING

#### PURPOSE

To discuss with the Committee proposed agenda items for the next meeting.

#### DISCUSSION

Noted.

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#### COMMITTEE RESOLUTION

The Committee discussed the forward agenda for the June 2022 meeting.

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The meeting closed at 5.15pm.

## 13.0 NEXT MEETING

**Tuesday 7 June 2022**