



northern
beaches
council

MINUTES

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

held in the Flannel Flower Room, Dee Why on

TUESDAY 13 SEPTEMBER 2022

Minutes of the Audit, Risk and Improvement Committee Meeting
held on Tuesday 13 September 2022
in the Flannel Flower Room, Dee Why
Commencing at 2:06 pm

ATTENDANCE:

Voting Members of the Committee

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

Council Officers (non-voting)

Mr Ray Brownlee PSM	Chief Executive Officer
Mr Jeff Smith	Director Corporate & Legal
Ms Karen Twitchett	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 (remote)
Ms Sarah Dunstan	Executive Manager Governance & Risk
Ms Amy Noakes	Executive Manager Human Resources
Mr Mark Jones	Executive Manager Strategy & Performance
Mr Rob Koopman	Manager Insurance & Risk
Ms Aline Fernandes	Internal Auditor
Ms Claudia Brodtke	Senior Advisor Governance
Mr Andrew Ward-Harvey	Executive Manager Waste Management and Cleansing
Mr Glenn Quince	Team Leader - WHS
Mr Michael McDermid	Manager, Corporate Strategy
Mr Andrew Pigott	Executive Manager Strategic & Place Planning
Ms Liza Cordoba	Manager, Strategic & Place Planning
Ms Lisa Neal	Manager, Procurement

Council Auditors (non-voting)

Mr Warwick Shanks	Enterprise Audit and Assurance, Partner, KPMG
Ms Adriana Marques	Partner KPMG

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Note 1: The Committee met in camera prior to the ordinary meeting commencing with Karen Taylor (external audit) present.

Note 2: The Committee requested that an acknowledgment of this discussion be noted in the ordinary meeting minutes being, that the ARIC holds in great esteem the quality of the papers in relation to financial reporting.

1.0 APOLOGIES

NIL

2.0 DISCLOSURES OF INTEREST

Mark McCoy noted a non-pecuniary not significant conflict of interest in Item 9.3 Warriewood Valley Development Contributions Plan, in that he has family members who live in this suburb.

3.0 CONFIRMATION OF MINUTES

3.1 MINUTES OF AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD 7 JUNE 2022

COMMITTEE RESOLUTION

That the minutes of the Audit, Risk and Improvement Committee meeting held 7 June 2022, copies of which were previously circulated to all members, are hereby confirmed as a true and correct record of the proceedings of that meeting.

4.0 ITEMS RESOLVED BY EXCEPTION

Nil.

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 Committee discussed the action item of councillors being offered training in cyber security with interest in the uptake of the training. It was confirmed that councillors had been offered the opportunity to engage with a suite of training services.

ACTION ITEMS

Karen Twitchett to provide an update to ARIC on the cyber security training provided to councillors.

COMMITTEE RESOLUTION

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

6.0 STANDING ITEMS

6.1 VERBAL UPDATE BY THE CHIEF EXECUTIVE OFFICER

Note: Andrew Ward-Harvey joined the meeting

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) introduced Andrew Ward-Harvey, Executive Manager Waste Management & Cleansing who presented Councils interactive waste data dashboard (<https://www.northernbeaches.nsw.gov.au/services/rubbish-and-recycling/watch-your-waste>).

The CEO raised the following matters for discussion:

- The recent identification of contaminated material in the Cromer Works Depot and the associated actions which have been taken.
- An update regarding beach raking contractor's waste disposal.
- Council's resolution to extend ARIC members in accordance with the ARIC Charter.

- Membership of the Property Steering Committee in which the ARIC Chair has been requested to be a member of by way of inclusion in the Terms of Reference adopted by Council. CEO provided background to the Property Steering Committee and its advisory role to the Council. The ARIC discussed the role and function of the membership and agreed that it would be appropriate for the Chair to attend a number of meetings to form a view of the arrangements.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee:

1. Noted the verbal updates by the Chief Executive Officer and Executive Manager Waste Management & Cleansing.
2. Endorsed the appointment of the role of ARIC Chair to the Property Steering Committee (in accordance with the Property Steering Committee's Terms of Reference).
3. Endorsed the ARIC Chair's attendance at Property Steering Committee Meetings.

6.2 WORK HEALTH & SAFETY AND WORKERS COMPENSATION UPDATE JANUARY 2022 TO JUNE 2022

Note: Amy Noakes and Glenn Quince joined the meeting

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 January to June 2022.

DISCUSSION

Karen Twitchett introduced Glenn Quince, Team Leader – WHS and Amy Noakes, Executive Manager Human Resources.

The Committee discussed the following points:

- The positive result from the Staff Engagement Survey.
- The improvement in the quality of the Work Health and Safety reporting.
- Prescribed employment COVID-19 claims.
- The use of the Employee Assistance Program by staff members.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the update as at 30 June 2022.

7.0 IMPROVEMENT

7.1 ANNUAL PERFORMANCE REPORT 2021/22

Note: Mark Jones and Michael McDermid joined the meeting

PURPOSE

To report on performance as at June 2022 against measures in Council's Operational Plan 2021/22.

DISCUSSION

Michael McDermid addressed the meeting. The Committee discussed the following points in relation to the Annual Performance Report 2021/22:

- The impact to the program by COVID-19 and recent weather events.
- The large reduction in greenhouse gas emissions notably from the results of Council's electricity contract.
- Improvements in the strategic planning proposals assessment times.

It was also noted that the information would be publicly available in Council's Annual Report.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the report.

7.2 CONTINUOUS IMPROVEMENT

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 and provided commentary on the summary of the last quarter for the Continuous Improvement programs running at Council and the Service Review program.

The Committee discussed target levels for training and engagement in the training offering and the rate of actions completion.

COMMITTEE RESOLUTION

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

8.0 FRAUD AND RISK MANAGEMENT

8.1 GOVERNANCE AND RISK MANAGEMENT UPDATE

Note: Rob Koopman joined the meeting

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. ARIC noted the increase in claims against Council due to the significant weather events and discussed Council's insurance coverage for future years.

COMMITTEE RESOLUTION

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

9.0 SPECIAL AGENDA ITEMS

9.1 HIGH LEVEL RESULTS 2022 EMPLOYEE ENGAGEMENT SURVEY

PURPOSE

To present to the Audit, Risk and Improvement Committee (ARIC) the high-level organisational results of the June 2022 employee engagement survey.

DISCUSSION

Karen Twitchett, Director Workforce & Technology addressed the meeting and provided an overview of the results. The Committee noted the strong results reported in the survey.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the 2022 engagement survey results.

9.2 MODERN SLAVERY ACT UPDATE

Note: Lisa Neal and David Walsh joined the meeting

PURPOSE

To provide the Committee with an overview of the actions being taken to meet our legislative requirements and manage the risk of Modern Slavery occurring within the supply chain of Northern Beaches Council.

DISCUSSION

Lisa Neal, Manager Procurement and David Walsh, Chief Financial Officer addressed the meeting with the Committee taking the report as read. There was discussion of:

- The proactive approach Council is taking to the Modern Slavery Act via the signature of the Statement of Intent.
- The prioritisation of high-risk industries.
- The development of a plan of action on this Act.
- The impact on the procurement process.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the actions being taken to meet legislative requirements and manage the risks of modern slavery occurring in any part of Northern Beaches Council's operations or supply chain.

9.3 WARRIEWOOD VALLEY DEVELOPMENT CONTRIBUTIONS PLAN

Note: Liza Cordoba, Andrew Pigott and Caroline Foley joined the meeting

PURPOSE

The Warriewood Valley Contributions Plan is presented to the Audit, Risk and Improvement Committee (the ARIC) for its review in accordance with Council's resolution of 28 June 2022.

DISCUSSION

The ARIC noted and considered the correspondence from the Warriewood Residents Association and the response provided by Council. The Committee discussed the purpose of the Council resolution in referring the matter to the ARIC and its role with regard to the ARIC Charter.

The Committee considered the options available to it in addressing the item and held a detailed discussion of the issues at hand. ARIC notes that the development contributions were subject to an internal audit in 2020 with all management actions completed and that the use of restricted funds, including development contributions, were independently audited annually by the Audit Office of NSW.

The ARIC found that it was satisfied that the use of restricted funds is audited annually by the Audit Office of NSW and that the Audit Office will alert the ARIC should any problems come to its attention during its audit. The ARIC also noted the expanded reporting to commence next year which it considered will further increase levels of transparency and assurance in regard to these matters.

ACTION ITEM

The ARIC Chair to prepare and circulate a letter to the ARIC out of session for response to the Warriewood Residents Association.

COMMITTEE RESOLUTION

The ARIC reviewed the Warriewood Valley Development Contributions Plan in accordance with Council resolution of 28 June 2022 and found it was satisfied with the control environment in relation to the matters raised.

10.0 EXTERNAL AUDIT

NIL

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 last meeting.

DISCUSSION

Deirdre Cooper, Executive Manager Internal Audit & Complaints Resolution as well as Mr Warwick Shanks and Ms Adriana Marques, KPMG spoke to this item. The following items were discussed.

- The software licence management report, looking into the processes for Council obtaining new systems and software. The use of delegations was raised.
- Security issues around processing customer payments.
- The need for improvement in the process of managing beach parking permits.
- The recent audit of building access management.

ACTION ITEMS

Karen Twitchett to advise ARIC when the next IT penetration testing is scheduled.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the report.

12.0 GENERAL BUSINESS

12.1 PROPOSED MEETING SCHEDULE 2023

PURPOSE

To seek adoption of the proposed meeting schedule for 2023 for the Audit, Risk and Improvement Committee.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee adopted the 2023 meeting schedule.

12.2 AGENDA ITEMS FOR NEXT MEETING

PURPOSE

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

DISCUSSION

The Committee agreed to move the annual review of the ARIC Charter from the December 2022 meeting to the March 2023 meeting.

ACTION ITEMS

Governance to move the Annual ARIC Review from the December 2022 meeting to the March 2023 meeting.

COMMITTEE RESOLUTION

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

13.0 NEXT MEETING

Monday 5 December 2022

The meeting closed at 4.43pm.