

MINUTES

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

held by remote audio visual link

TUESDAY 10 SEPTEMBER 2024

Minutes of the Audit, Risk and Improvement Committee meeting
held on Tuesday 10 September 2024
Online via Teams
Commencing at 2:05 PM

ATTENDANCE:

Members of the Committee

Chair Stephen Horne (Chair)
Member Mark McCoy
Member Julie Walton
Member Robert Lagaida
Member Sarah Grattan (non-voting) (apology)

Council Officers (attendees)

Scott Phillips	Chief Executive Officer
Kelly Loveridge	Chief Operating Officer
David Walsh	Chief Financial Officer
Caroline Foley	Executive Manager Financial Planning & Systems
Sally Hall	Executive Manager Internal Audit & Complaints Resolution
Sarah Dunstan	Executive Manager Governance & Risk
Aline Fernandes	Internal Auditor
Lauren Reti	Senior Advisor - Governance

Council Auditors (non-voting)

Ms Susan Prichard	Director of Financial Audit Services, Audit Office of NSW (apology)
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Visiting Staff

Karen McLoughlin	Acting Program Director – ERP Transformation
Amy Noakes	Executive Manager Human Resources
Kath McKenzie	Executive Manager Community Engagement & Communications
Kristie Debney	Executive Manager Property, Buildings & Beach Services
Jeremy Smith	Acting Executive Manager Parks & Open Space
Glen Quince	Team Leader - WHS
Lisa Donohue	Workers Compensation Team Leader
Michael McDermid	Manager, Corporate Strategy
Catherine Macfarlane	Acting Manager, Organisational Performance
Cherry Hopley	Program Manager - Performance

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1.0 APOLOGIES

Apologies were received from Councillor Sarah Grattan and Sue Prichard.

2.0 DISCLOSURES OF INTEREST

There were no disclosures of interest.

3.0 CONFIRMATION OF MINUTES

3.1 MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON 11 JUNE 2024

OUTCOME

The minutes of the Audit, Risk and Improvement Committee Meeting held on 11 June 2024, copies of which were previously circulated to all members, were confirmed as a true and correct record of the proceedings of that meeting.

4.0 ITEMS RESOLVED BY EXCEPTION

No Items were dealt with by exception.

5.0 ACTION ITEMS FROM MINUTES

5.1 ACTION ITEMS UPDATE

PURPOSE

The purpose of this report is to provide the Audit, Risk and Improvement Committee (ARIC) with a progress update on the actions arising from the minutes of previous meetings of the ARIC and those actions completed since the previous meeting.

DISCUSSION

It was noted 2 items are ongoing and not due, one item had been completed and 2 items were being addressed in reports in this meeting.

OUTCOME

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

PURPOSE

The purpose of this report is to provide the ARIC with a brief update on current issues, particularly those relating to areas of potential risk for Council.

DISCUSSION

The Chief Executive Officer's report included the following:

- Upcoming local government election
- Plans for the induction of and workshop with newly elected councillors
- Recent staff movements in the Chief Executive Team:
 - Appointment of Chief Operating Officer, Kelly Loveridge
 - Retirement of Chief Financial Officer, David Walsh
 - Appointment of Caroline Foley into the Chief Financial Officer role.
- Resignation of Chief Information Officer, Naren Gangavarapu.

OUTCOME

The ARIC noted the Chief Executive Officer's verbal update.

6.2 ENTERPRISE RESOURCE PLANNING (ERP) - PROGRAM COSMO UPDATE

PURPOSE

The purpose of this report is to provide the ARIC with an update on Council's Enterprise Resource Planning Project – Program COSMO.

DISCUSSION

Karen McLoughlin, Acting Program Director – ERP Transformation, attended the meeting to update the committee on the project.

Karen confirmed that the project budget and works are both on track within the project timeline. Monthly steering committee meetings have been held, with the budget and expenditure reviewed at each meeting. The committee discussed the progress of the project and asked for staff's view of the Governance and Project Management Framework. Kelly Loveridge addressed the committee regarding the Governance and Project Management Framework and the staged rollout plan, and positive feedback received from a recent staff workshop on the topic of Navigating Change with Confidence.

ARIC members enquired on vendor performance and how it was being managed. Scott Phillips advised that meetings with KPMG and TechOne have been integral in building relationship with the vendors, and are used to track progress and discuss substantial issues if there are any.

OUTCOME

The ARIC noted the report.

6.3 SAFETY, WELLBEING AND INJURY MANAGEMENT REPORT

PURPOSE

The purpose of this report is to provide the ARIC with an update on Work Health & Safety, Workers Compensation and Wellbeing during the period January to June 2024.

DISCUSSION

Amy Noakes, Executive Manager Human Resources, Lisa Donohue, Workers Compensation Team Leader and Glenn Quince, Team Leader – WHS attended for this item.

Discussion included engagement survey results, Council's new Managing Communicable Diseases in the Workplace Policy, increased focus on psychosocial hazards and Thrive wellbeing program. ARIC provided insight on the importance to staff of managing psychosocial hazards, and reviewed and discussed the reported trends.

ACTIONS

HR to consider representation of the graph for Psychological vs Physical Injury Cost to make it clearer the trend of costs.

OUTCOME

That ARIC noted the update on Work Health Safety, Workers Compensation and Wellbeing as of 30 June 2024.

7.0 IMPROVEMENT

7.1 NORTHERN BEACHES COUNCIL CONTINUOUS IMPROVEMENT PROGRAM UPDATE

PURPOSE

The purpose of this report is to provide the ARIC with an update on Council's continuous improvement program.

DISCUSSION

Catherine Macfarlane, Acting Manager, Organisational Performance and Michael McDermid, Manager Corporate Strategy attended for this item.

With 712 improvements captured during the reporting period, exceeding the target of 650, ARIC members raised the topic of change fatigue and how it can be managed in the organisation. Catherine and Michael shared how Council are promoting and instilling a culture of continuous improvement and looking for the small improvements in the day to day tasks.

OUTCOME

The ARIC noted the progress of Council's continuous improvement program.

7.2 SERVICE REVIEW PROGRAM PROGRESS AND IMPLEMENTATION STATUS

PURPOSE

The purpose of this report is to provide an overview of Council's Service Review Program and progress on the implementation of the improvement recommendations identified from the completed service reviews.

DISCUSSION

Catherine Macfarlane, Acting Manager, Organisational Performance and Michael McDermid, Manager Corporate Strategy attended for this item.

The update confirmed that the program is currently in phase 2 with 2 service reviews planned to be reported to ARIC in late 2024. ARIC members enquired about the methodology being used for the service reviews and if there had been any changes. Catherine confirmed the methodology was reviewed after the first 3 reviews and this will continue as appropriate. Michael noted that the revised methodology now includes councillor involvement with the opportunity for them to provide feedback on services.

OUTCOME

The ARIC noted the progress of Council's Service Review Program and implementation plans.

7.3 BENCHMARKING PROGRAM FY22/23 - FINANCE, WORKFORCE AND OPERATIONS

PURPOSE

The purpose of this report is to present benchmarking results and trends for 2022/23 across Council's finance, workforce and operations.

DISCUSSION

Michael McDermid, Manager Corporate Strategy attended for this item.

Michael provided a summary of the results for the period. The committee noted that the program is working well.

OUTCOME

The ARIC noted the performance results for the 2022/23 core benchmarking program on finance, workforce and operations.

7.4 ANNUAL PERFORMANCE REPORT 2023/24

DISCUSSION

Michael McDermid, Manager Corporate Strategy attended for this item.

The ARIC commended Council on the report and excellent results in customer satisfaction.

OUTCOME

The ARIC noted the report.

7.5 COMMUNITY ENGAGEMENT SERVICE REVIEW

PURPOSE

The purpose of this report is to present the findings and recommendations from the Community Engagement service review.

DISCUSSION

Kath McKenzie, Executive Manager Community Engagement & Communications and Cherry Hopley, Program Manager – Performance attended for this item.

Kath provided a summary of the review and the value it provided in understanding the teams that were high volume users of these services and also highlighted the value that these services provide to the community when dealing with a large council.

ARIC members discussed the ratio of constituents per councillor, the unique service that the Community Liaison service provides to councillors and also raised questions regarding monetising some services.

OUTCOME

The ARIC noted the findings and recommendations of the service review of Community Engagement.

7.6 MAINTENANCE OF OPEN SPACES AND RELATED INFRASTRUCTURE (PARK OPERATIONS) SERVICE REVIEW

PURPOSE

The purpose of this report is to present the findings and recommendations from the Maintenance of Open Spaces and Related Infrastructure (Park Operations) service review.

DISCUSSION

Jeremy Smith, Acting Executive Manager Parks & Open Space, Todd Dickinson, Director Environment & Open Space and Catherine Macfarlane, Acting Manager, Organisational Performance attended for this item.

ARIC members were complimentary of the level of customer satisfaction and positive feedback received from the community. They also noted the valuable insights and opportunities the service review provided for the team.

OUTCOME

The ARIC noted the findings and recommendations of the Service Review for the Maintenance of Open Spaces and Related Infrastructure (Park Operations).

9.0 SPECIAL AGENDA ITEMS

9.1 LEASE AND LICENCE REGISTER

PURPOSE

The purpose of this report is to present the Lease and Licence Register for the financial year ended 30 June 2024.

DISCUSSION

Kristie Debney, Executive Manager Property, Buildings & Beach Services attended for this item.

ARIC members queried and discussed the process that is undertaken when a property or facility is listed. Kristie explained the process undertaken and how it is in line with Council policy and procedure. The committee queried if this register had been on a previous audit plan and whether it could be considered in a future audit plan.

ACTIONS

Internal Audit to advise whether the Lease and Licence Register has been on the audit plan previously and if this could be considered in the audit plan for future years.

OUTCOME

The ARIC supported the publication of the Annual Public Lease and Licence Register, with all personal and sensitive information removed.

9.2 EMPLOYEE ENGAGEMENT SURVEY RESULTS 2024

PURPOSE

The purpose of this report is to provide an update on the outcomes of the 2024 Employee Engagement Survey.

DISCUSSION

Kelly Loveridge provided a summary of this item. The key focus areas were processes, career and development opportunities and facilities and office spaces. ARIC members discussed the results, including the area of cross-unit cooperation. Kelly confirmed this was identified as an area that has been growing and improving with the recent structure changes. The Chief Executive Officer released a Flexible Working discussion paper that received a lot of feedback and the next steps will involve a position paper being prepared to circulate with staff.

OUTCOME

The ARIC noted the update on the 2024 Employee Engagement Survey results.

11.0 INTERNAL AUDIT

11.1 INTERNAL AUDIT UPDATE REPORT

PURPOSE

The purpose of this report is to provide an update on all aspects of Internal Audit work since the last ARIC meeting.

DISCUSSION

Sally Hall provided an overview of the 2024-2025 audit schedule, confirmed 3 audits are underway at present and the Fraud and Corruption Control (FACC) plan has been updated to consider the Australian Standard for FACC and recommendations made by KPMG in its risk assessment in 2023. The committee would like to receive updates from the Fraud and Corruption Control Committee in the form of minutes from the meeting.

The committee discussed the audits and queried progress on 3 audit recommendations.

ACTIONS

Sally Hall to include Fraud and Corruption Control Committee minutes in the Internal Audit Update Report.

OUTCOME

The ARIC noted:

1. The status of the 2023-24 and 2024-25 internal audit plans.
 2. The outcomes of the internal audit reports completed.
 3. The status of audit recommendations and opportunities, generated in previous internal audits.
 4. The revised 2024 Fraud and Corruption Control Plan.
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13.0 GENERAL BUSINESS

13.1 ARIC 2025 PROPOSED MEETING DATES

PURPOSE

The purpose of this report is to seek adoption of the proposed 2025 meeting schedule.

DISCUSSION

The committee were in agreement with the proposed 2025 meeting schedule.

OUTCOME

The ARIC adopted the 2025 meeting schedule.

13.2 AGENDA ITEMS FOR NEXT MEETING

PURPOSE

The purpose of this report is to present the proposed agenda items for the ordinary December 2024 meeting.

DISCUSSION

The committee were in agreement with the proposed December 2024 agenda.

OUTCOME

The ARIC discussed the proposed December 2024 agenda.

14.0 NEXT MEETING

Tuesday 3 December 2024

The meeting closed at 4:53pm

This is the final page of the Minutes comprising 11 pages numbered 1 to 11 of the Audit, Risk and Improvement Committee held on Tuesday 10 September 2024