

MINUTES

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

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

TUESDAY 9 SEPTEMBER 2025

**Minutes of the Audit, Risk and Improvement Committee meeting
held on Tuesday 9 September 2025
in the Flannel Flower Room, Civic Centre, Dee Why
Commencing at 2:02pm**

ATTENDANCE:

Members of the Committee

Chair Stephen Horne (Chair)
Member Mark McCoy
Member Robert Lagaida
Member Tiffany Roxburgh
Member Cr Sarah Grattan

Council Officers (attendees)

Scott Phillips	Chief Executive Officer
Kelly Loveridge	Chief Operating Officer
Sally Hall	Internal Ombudsman
Sarah Dunstan	Executive Manager Governance & Risk
Aline Fernandes	Internal Auditor
Lauren Reti	Senior Advisor - Governance

Guest Attendees

Cr Sue Heins	Mayor
Cr Nicholas Beauguard	Councillor - <i>remote</i>

Visiting Staff

Amy Noakes	Executive Manager Human Resources
Lisa Donohue	Workers Compensation Team Leader
Glenn Quince	Team Leader - WHS
Michael Turner	Chief Information Officer
Mark Jones	Executive Manager Strategy, Performance & Records
Michael McDermid	Manager, Corporate Strategy
Catherine Macfarlane	Team Leader – Organisational Performance

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1.0 APOLOGIES

Apologies were received from Sue Prichard.

2.0 DISCLOSURES OF INTEREST

Tiffany Roxburgh declared that she resides in the Northern Beaches local government area, is the Treasurer of the Pittwater High School Parents & Citizens Association, a Non-Executive Director of the Animal Welfare League NSW and is employed full time as Chief Operating Officer at Garvan Institute of Medical Research.

Stephen Horne declared that he has stepped into the role of Chairperson for both the City of Sydney and City of Parramatta Audit, Risk and Improvement Committees.

3.0 CONFIRMATION OF MINUTES

3.1 MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON 10 JUNE 2025

OUTCOME

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 10 June 2025, 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

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

The ARIC noted that all action items listed were either not due yet, or being resolved in reports presented at this meeting.

OUTCOME

That the Audit, Risk and Improvement Committee note 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 Audit, Risk and Improvement Committee with a brief update on current issues, particularly those relating to areas of potential risk for Council.

DISCUSSION

The Chief Executive Officer's (CEO) report included the following:

- An update on the tragedy that occurred at Dee Why Beach on Saturday 6th September 2025, the impact on community and Council's involvement as first responders. Council is awaiting the outcome of an investigation from NSW Department of Primary Industries, which will be reported on at the next meeting.
- An update on the outcome of the IPART process and Council's role to demonstrate performance and what this will mean going forward.
- The Voice of the Customer survey results for last month were at an all time high. The survey has been running for over 7 years, and any person who receives a service from the Council is invited to respond. The trend of record satisfaction has occurred over the last 3 months.
- James Farrington has been recruited as the Director Planning & Place. He commences 22 September 2025.
- Change to staff numbers with the contracted lifeguards that serviced the 9 northern beaches coming on as permanent Council staff.
- An update on the Office of Local Government's new Model Code of Meeting Practice. Council will be reviewing its current Code of Meeting Practice to bring it in line with the model code.
- Also discussed child safeguarding at Council.

OUTCOME

That the Audit, Risk and Improvement Committee note the Chief Executive Officer's verbal update.

6.2 SAFETY, WELLBEING AND INJURY MANAGEMENT REPORT

PURPOSE

The purpose of this report is to provide the Audit, Risk, and Improvement Committee (ARIC) with an update on Work Health & Safety (WHS), Workers Compensation (WC) and Wellbeing during the period 1 January 2025 to 30 June 2025.

DISCUSSION

The Executive Manager Human Resources, Workers Compensation Team Leader and Team Leader – WHS provided an update on this item and discussed the following:

- The number of claims made and costs incurred has continued to decrease
- Average number of 'lost days' for claims is reducing due to implementing strategies of early intervention and recovery at work.
- An improvement in the reporting of near miss incidents.
- Proactive work health and safety initiatives.

ARIC commended the team on their report and noted that the proactive 'near miss' reporting is a sign of maturity in the work health and safety culture.

OUTCOME

That the Audit, Risk and Improvement Committee note the update on Work Health Safety, Workers Compensation and Wellbeing as of September 2025.

6.3 ENTERPRISE RESOURCE PLANNING (ERP) - PROGRAM COSMO UPDATE

PURPOSE

The purpose of this report is to provide the Audit Risk and Improvement Committee (ARIC) an update on Council's Enterprise Resource Planning Project – Program COSMO.

DISCUSSION

The Chief Information Officer provided the ARIC with an overview of this report and discussed the following matters:

- The successful launch of release one on 1 July. The small number of issues encountered were able to be resolved with training and other methods.
- Release 2 commenced, with the entire project team meeting to go through the structures of the project as well as lessons learned from release 1. This activity has received positive feedback from the team.
- Change governance – looking at people, process and technology change. Meeting and liaising with other councils throughout Australia that have completed this transition previously to gather and share information and learn from their experiences.
- Management of risks rated as high for release 2.
- Selection of the go live date for release 2 and managing this with the vendor to ensure an extended hyper care period to cover any periods of staff leave and ongoing training.

The ARIC commended the team on completing release 1 on time and under budget.

OUTCOME

That the Audit Risk and Improvement Committee note the report.

7.0 INTERNAL AUDIT

7.1 INTERNAL AUDIT UPDATE REPORT

PURPOSE

The purpose of this report is to provide an update to the Audit, Risk and Improvement Committee (ARIC) on all aspects of Internal Audit work since the last ARIC meeting.

DISCUSSION

The Internal Ombudsman updated the committee on this item, including the following:

- Internal Audit progress was reviewed against the 4 year Strategic Internal Audit Plan, and how the plan is updated according to any new risks identified or requests raised through the ARIC or executive team.
- A review of the recommendations from the Independent Commission Against Corruption Operation Mantis report was undertaken and discussed.
- The use of Artificial Intelligence AI in audits and the associated opportunities and risks.
- Implementation of an upgrade to the HR system that will complete an outstanding audit recommendation.

OUTCOME

That the Audit, Risk and Improvement Committee note:

1. The status of the 2024-25 and 2025-26 internal audit plans.
 2. The outcomes of the internal audit reports completed since June 2025 ARIC.
 3. The status of audit recommendations and opportunities, generated in previous internal audits.
 4. The additional reviews undertaken.
 5. The yearly review of the Internal Audit Charter.
 6. The implementation of the Internal Audit Strategy.
 7. The FY 25/26 Internal Audit Budget.
 8. The annual confirmation of Internal Audit independence.
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8.0 IMPROVEMENT

8.1 BENCHMARKING PROGRAM 2023/24 - FINANCES, WORKFORCE AND OPERATIONS

PURPOSE

The purpose of this report is to present the 2023/24 benchmarking results and trends for finance, workforce and operations.

DISCUSSION

The Executive Manager Strategy, Performance & Records, Manager, Corporate Strategy and Team Leader – Organisational Performance updated the ARIC on this item and discussed the following:

- 82% of items are meeting or exceeding the industry benchmark. There are 5 items that are below industry benchmark, however 4 of those still meet the Office of Local Government (OLG) benchmark. Two items that did not meet the OLG benchmark, being the infrastructure renewal ratio and asset maintenance ratio, will be addressed with the incoming funds from the special rate variation.
- The length of time it takes to compile the data and metrics.
- Presenting this data in a report to Council.

OUTCOME

That the Audit, Risk and Improvement Committee note the performance results for the 2023/24 core benchmarking program on finance, workforce and operations.

8.2 ANNUAL PERFORMANCE REPORT 2024/25

PURPOSE

The purpose of this report is to provide an update on performance as of June 2025 against measures in Council's Operational Plan 2024/25.

DISCUSSION

The Executive Manager Strategy, Performance & Records, Manager, Corporate Strategy and Team Leader – Organisational Performance attended for this item. The Manager, Corporate Strategy noted that there has been year on year improvement, with the diversion rate for Kimbriki being achieved for the first time.

The ARIC discussed the process to review and adjust performance targets, including looking at their relevance and the appropriate time for this process to occur. The ARIC asked the team to review this process in the context of the comments made.

ACTIONS

Review the process of assessing the performance targets, including looking at their relevance and the timing of when this process needs occur.

OUTCOME

That the Audit, Risk and Improvement Committee note the report.

8.3 NORTHERN BEACHES COUNCIL CONTINUOUS IMPROVEMENT PROGRAM UPDATE

PURPOSE

The purpose of this report is to provide the Audit, Risk and Improvement Committee (ARIC) with an update on Council's continuous improvement program.

DISCUSSION

The Executive Manager Strategy, Performance & Records, Manager, Corporate Strategy and Team Leader – Organisational Performance attended for this item. The 2024/25 target for improvements was 200 and this was exceeded with 250 improvements being captured.

The ARIC discussed maturity of the program and the challenge for staff to continue finding improvements. The team highlighted that with the new ERP system being rolled in that it will likely create opportunity for further improvements. Regular promotion of the program is also undertaken which is helping to embed the 'continuous improvement' culture within teams.

OUTCOME

That the Audit, Risk and Improvement Committee note the progress of Council's continuous improvement program.

8.4 SERVICE REVIEW PROGRAM PROGRESS AND IMPLEMENTATION STATUS AS OF 30 JUNE 2025

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 as of 30 June 2025.

DISCUSSION

The Executive Manager Strategy, Performance & Records, Manager, Corporate Strategy and Team Leader – Organisational Performance updated the committee on this item noting that 92% of the of the improvements that were recognised over the 11 reviews completed, are either on track or have been completed by the business. Positive feedback is being received from teams noting that they see the benefits of the review in terms of improvement potential.

The ARIC raised the matter of change fatigue for staff, considering the continuous improvement program along with the service review program and the ERP project. The Executive Manager Strategy, Performance & Records confirmed the team are taking this into consideration by liaising with the Executive Managers, allowing flexibility when scheduling the reviews.

The ARIC suggested the team provide a qualitative statement of the outcomes and benefits of the service review program on a biennial basis.

Quality review or assurance of the implementation of recommendations was discussed, with the ARIC suggesting the team could include a summary of the action taken by the business for each recommendation.

ACTIONS

1. Consider developing a qualitative statement of the outcomes and benefits of the service review program on a biennial basis.
2. Consider expanding the service review process to include an assurance review of the completed actions.
3. Circulate to the ARIC the detail of 3 recommendations that did not proceed.

OUTCOME

That the Audit, Risk and Improvement Committee note the progress of Council's Service Review Program and implementation plans.

9.0 FRAUD AND RISK MANAGEMENT

9.1 ARIC ANNUAL REPORT 2024/2025

PURPOSE

The purpose of this report is to present the Audit, Risk and Improvement Committee's (ARIC) Annual Report for 2024/25 and review the ARIC's Terms of Reference.

DISCUSSION

The Executive Manager Governance & Risk attended for this item. The ARIC provided its initial feedback on the draft report and noted any further feedback can be provided to the Governance team by 26 September 2025.

ACTIONS

Feedback from the ARIC to be incorporated into the ARIC Annual Report for 2024/25.

OUTCOME

That the Audit, Risk and Improvement Committee approve the ARIC Annual Report for the period July 2024 – June 2025.

10.0 SPECIAL AGENDA ITEMS

10.1 LEASE AND LICENCE REGISTER

PURPOSE

The purpose of this report is to present to the Audit, Risk and Improvement Committee (ARIC) the Lease and Licence Register for the financial year ended 30 June 2025.

DISCUSSION

The CEO discussed this item with the ARIC, covering the following points:

- The process that Council undertake to review rental rates and ensure they are in line with the current market rate.
 - Terms and conditions of leases, where the lease term has expired and the tenant is paying month to month.
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OUTCOME

That the Audit, Risk and Improvement Committee note the publication of the Annual Public Lease and Licence Register, with all personal and sensitive information removed.

12.0 FEATURE TOPIC

12.1 GOVERNANCE FRAMEWORK FOR THE DELIVERY OF THE SPECIAL VARIATION PROGRAM

PURPOSE

The purpose of this report is to provide the Audit Risk and Improvement Committee (ARIC) with a governance framework for the oversight of Special Variation (SV) programs.

DISCUSSION

The COO updated the ARIC on this item and discussed the following:

- The governance framework that has been developed to oversee the successful delivery of the SV program. The framework highlights all key stakeholders, the assurance pathway for each delivery outcome stream, their respective objectives and staff leads.
- Planning and preparation has ensured Council's system will be able to report on the specific SV programs.
- The development of the dedicated page on Councils website that displays the SV funds received, along with a link to each of the specific SV programs that the funds will be used to deliver. There is also an interactive map where the community can view the status of projects and if they are SV funded.

The ARIC commended the team on this report, the governance framework and the communication to the community on the delivery of Special Variation programs.

OUTCOME

That the Audit, Risk and Improvement Committee note the proposed governance framework for the delivery of the Special Variation program.

13.0 GENERAL BUSINESS

13.1 ARIC 2026 PROPOSED MEETING DATES

PURPOSE

The purpose of this report is to seek adoption of the proposed 2026 meeting schedule for the Audit, Risk and Improvement Committee (ARIC).

DISCUSSION

The Committee agreed to the amended date for the March 2026 meeting and were in agreement for the proposed June, September and December 2026 meetings.

OUTCOME

That the Audit, Risk and Improvement Committee adopt the 2026 meeting schedule with the amended meeting date of Monday 2 March 2026.

13.2 AGENDA ITEMS FOR NEXT MEETING

PURPOSE

The purpose of this report is to present to the Audit, Risk and Improvement Committee (ARIC) the proposed agenda items for the ordinary December 2025 meeting.

OUTCOME

That the Audit, Risk and Improvement Committee discuss the proposed December 2025 agenda.

The Chair, on behalf of members and staff, thanked Mark McCoy and Councillor Sarah Grattan for their many years of input and the immense value they have added to the Committee during their respective tenures.

14.0 NEXT MEETING

Tuesday 9 December 2025

The meeting closed at 5:03pm

This is the final page of the Minutes comprising 15 pages numbered 1 to 15 of the Audit, Risk and Improvement Committee held on Tuesday 9 September 2025.