

MINUTES

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

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

WEDNESDAY 10 JUNE 2026

**Minutes of the Audit, Risk and Improvement Committee meeting
held on Wednesday 10 June 2026
in the Flannel Flower, Civic Centre, Dee Why
Commencing at 2:00pm**

ATTENDANCE:

Members of the Committee

Voting Chair Stephen Horne (Chair)
Voting Member Robert Lagaida
Voting Member Tiffany Roxburgh
Voting Member Peter Sheville - *remote*
Councillor Nominee Nicholas Beugeard

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

Council Auditors (attendee)

Ms Susan Prichard	Director of Financial Audit Services, Audit Office of NSW
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Observing Attendee

Sue Heins	Mayor
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Visiting Staff

Caroline Foley	Chief Financial Officer
Michael Turner	Chief Information Officer
Angela Casey	Executive Manager Sports & Recreation
Cherry Hopley	Senior Program Specialist - Performance
David Griffiths	Chief Information Security Officer

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1.0 APOLOGIES

Nil

2.0 DISCLOSURES OF INTEREST

Nil

3.0 CONFIRMATION OF MINUTES

3.1 MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON 2 MARCH 2026

OUTCOME

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 2 March 2026, 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 committee was in agreement with the action items listed in the report, with an addition at Item 13.1 to include a 'summary of the 2026/27 budget'.

ACTIONS

At action item 13.1 include 'summary of the 2026/27 budget'.

OUTCOME

That the ARIC 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 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 a discussion on the following:

- Culture development and emerging leaders programs update
- All staff engagement survey results
- 2025 Model Code of Meeting Practice disallowance motion.

OUTCOME

That the ARIC note the Chief Executive Officer's verbal update.

6.2 FINANCE UPDATE

PURPOSE

The purpose of this report is to provide an update on the financial performance of the Council as at 31 March 2026 and plans for the upcoming financial year.

DISCUSSION

The Chief Financial Officer attended for this item and provided updates on the following:

- The fuel crisis and how this impacts Council.
- Quarterly budget review presented to Council in May.
- Next year's planning - the budget for 2026/2027 including the long term financial plan will be presented to Council at the June ordinary Council meeting.

The committee discussed the progress of the Asset Performance Ratio with the Special Rate Variation income and asset management modelling. The committee also discussed the cost of materials increasing faster than the rate cap and the potential impact of this on future asset management modelling.

OUTCOME

That the ARIC note the finance update for the quarter ended 31 March 2026 and planning for the new financial year 2026/27.

6.3 ENTERPRISE RESOURCE PLANNING (ERP) – PROJECT COSMO UPDATE**PURPOSE**

The purpose of this report is to update the ARIC on the progress of Northern Beaches Council's Enterprise Resource Planning (ERP) Program (COSMO), specifically the status of Release 2 (R2).

DISCUSSION

The Chief Operating Officer and Chief Information Officer provided an update on this item.

The committee discussed the build complexity and the management of defects during the functional testing phase. The committee suggested further independent quality assurance review to allow progression through gateways, and due to the risk of compressed testing timelines. The need to manage team fatigue and morale during the high pressure delivery phase was also considered.

The committee noted that risks are being raised and managed proactively, and commended staff on the comprehensive report.

ACTIONS

Include information on the assurance processes in place before go live in the next report.

OUTCOME

That the ARIC note the report.

6.4 STRATEGIC PROJECTS**PURPOSE**

The purpose of this report is to provide the ARIC with an update on some of Council's major projects.

DISCUSSION

The Chief Operating Officer presented the strategic project report to the ARIC, including a brief overview of the projects and the ongoing monitoring of grant funded projects to ensure funding is not lost due to delays.

The committee discussed the risks including reputational and community impact, along with the financial value for the projects listed.

OUTCOME

That the ARIC note the report on Council's Strategic Projects.

7.0 INTERNAL AUDIT

7.1 INTERNAL AUDIT UPDATE REPORT

PURPOSE

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

DISCUSSION

The Internal Ombusman provided an update on year 2 of the 4 year audit plan, confirming the team is on track, with the remaining review due at the September ARIC meeting. Year 3 of the plan commences 1 July, with some minor adjustments to allow for the impact of the Cosmo project and staff capacity.

The committee discussed the opportunity of utilising the NSW Audit Office recommendations and key learnings to use as a framework for the gap analysis of controls in place at Council. The committee also raised that SafeWork NSW has particular risk areas that they're focusing on currently.

The ARIC commended the internal audit team for its excellent report and progress on the internal audit delivery plan.

OUTCOME

That the ARIC note:

1. The status of the 2025-26 internal audit plan.
 2. The proposed 2026-27 internal audit plan.
 3. The outcomes of the internal audit reports and reviews completed since March 2026 ARIC.
 4. The status of audit recommendations and opportunities generated in previous internal audits.
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8.0 IMPROVEMENT

8.1 RECREATION BUSINESS (AQUATIC CENTRES) SERVICE REVIEW REPORT

PURPOSE

The purpose of this report is to present the findings and recommendations of the service review for Recreation Business (Aquatic Centres) to the ARIC.

DISCUSSION

Executive Manager Sports & Recreation and Senior Program Specialist – Performance attended for this item and provided an update to the committee. The aim is to integrate Manly Andrew Boy Charlton Aquatic Centre (Manly ABC) and Warringah Aquatic Centre (WAC) operations to allow shared systems and processes. The review validated Council's direction with program and service alignment.

The committee discussed the strong performance of Manly ABC and the aim to leverage this to benefit WAC. Asset management of the WAC was also discussed in view of its age.

The committee also suggested the recommendations for service reviews include/specify accountable actions (for example 'examine' or 'analyse').

OUTCOME

That the ARIC note the findings and recommendations of the Service Review for the Recreation Business (Aquatic Centres) service.

9.0 FRAUD AND RISK MANAGEMENT

9.1 ANNUAL REVIEW - ARIC TERMS OF REFERENCE AND ATTESTATION

PURPOSE

The purpose of this report is to provide the Terms of Reference and attestation to the ARIC for review.

DISCUSSION

The Executive Manager Governance & Risk provided an overview on this item.

The committee agreed with the Terms of Reference and Attestation as provided.

OUTCOME

That the ARIC note the Terms of Reference review and proposed attestation.

9.2 INFORMATION & CYBER SECURITY

PURPOSE

The purpose of this report is to present the ARIC with an overview of Council's information and cyber security posture, progress and achievements.

DISCUSSION

The Chief Information Officer and Chief Information Security Officer attended for this item and provided an update to the committee on the following:

- Maturing cyber risk framework is now fully operationalised.
- Forward plan of communication.
- Published information for local businesses in the community around cyber awareness, with more information planned for residents families, seniors, community groups and not for profits.
- Council's leadership to stand up a self-sustaining committee of council cyber representatives to guide sector-wide approaches to improvement and encourage peer support. There are now 26 councils across NSW that are keen to be involved.

The committee discussed the risks arising, noting there are mitigation actions in process, and they are being managed and monitored.

ACTIONS

1. Future reporting to include information on the actions being undertaken on the emerging risks reported.
2. Provide an update in a future report on data storage, data retention and data disposal and how this is tracking against the policy.

OUTCOME

That the ARIC note:

1. The progress made to date on previously reported initiatives.
2. The increasing maturity of Council's security governance and risk processes.
3. The on-going work to align security governance and management processes to global industry standards.

13.0 GENERAL BUSINESS

13.1 AGENDA ITEMS FOR NEXT MEETING

PURPOSE

The purpose of this report is to present to the ARIC the proposed agenda items for the ordinary September 2026 meeting.

DISCUSSION

The Committee was in agreement with the September agenda.

OUTCOME

That the ARIC discuss the proposed September 2026 agenda.

13.2 CHAIRPERSON EXPRESSION OF INTEREST

DISCUSSION

The Chair confirmed the recruitment process for a new Chairperson is underway which, if successful, will provide for a new Chair to be appointed and inducted with a full handover before the next meeting. The committee will be kept up to date with the recruitment progress.

The CEO and the Mayor both reflected on Stephen Horne's time as the Chairperson of Northern Beaches Council ARIC. On behalf of all staff and the committee, both expressed thanks and gratitude for Stephen's work with the committee and advice shared over the years and wished Stephen all the best with his future endeavours.

14.0 NEXT MEETING

Wednesday 9 September 2026

The meeting closed at 4:53pm

This is the final page of the Minutes comprising 10 pages of the Audit, Risk and Improvement Committee held on Wednesday 10 June 2026.