

AUDIT, RISK &
IMPROVEMENT COMMITTEE
MEETING

MINUTES

21 February 2017

Commenced at 3.09pm in the
Flannel Flower Room,
Northern Beaches Council,
Dee Why

M J Ferguson
General Manager

Attendance:**Members of the Committee:**

Mr John Gordon (Chairperson)
Mr Robert Dobbie
Ms Liezel Preller
Mr Brian Hrnjak

Council Officers (non-voting):

Mr Mark Ferguson, General Manager
Ms Helen Lever, Acting Deputy General Manager, Corporate Services
Ms Melinda Aitkenhead, Acting Executive Manager, Governance & Enterprise Risk
Ms Sonya Gallery, Executive Officer
Mr David Walsh, Chief Financial Officer
Mr Nick Hall, Executive Manager, HR
Mr Scott Vassella, WHS/Workers Compensation Manager
Mr David De Villiers, Insurance & Project Accounting Manager
Mr Brett Andrew, Asset Strategy Manager
Mr Mark Jones, Program Director, Transformation
Mr Richard McManus, Chief Information Officer (Operations)
Ms Marnie van Dyk, Acting Risk Co-ordinator
Ms Pamela Tasker, Minutes Secretary

Council Auditors (non-voting):

Mr Michael Quirk, Head of Internal Audit, North Shore Councils
Mr Brett Hanger, Hill Rogers (External Auditors)

Audit, Risk & Improvement Committee (ARIC)

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1.0 Apologies

Notes:

1. All voting members of the ARIC were in attendance.
 2. An apology was received from Ms Weini Liao, The Audit Office of NSW.
 3. An apology was received from Ms Yan Yang, Hill Rogers (External Auditors).
 4. An apology was received from the representatives from Ernst & Young (External Auditors).
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2.0 Declarations of Conflict / Pecuniary Interest

Notes:

1. Ms Liezel Preller made a precautionary disclosure, advising that she was now employed in a full time capacity at Westpac Bank where the NBC have various accounts.
 2. Mr Brian Hrnjak made a precautionary disclosure, in that in his capacity as an Accountant he had provided advice to an NBC staff member regarding tax and voluntary redundancy.
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3.0 Confirmation of Minutes

COMMITTEE RECOMMENDATION

That the Minutes of the Audit, Risk & Improvement Committee meeting held on 15 November 2016, copies of which were circulated to all members, be accepted as a true and accurate record of that meeting.

(Mr Robert Dobbie / Ms Liezel Preller)

4.0 Action Items from Minutes

Proceedings in Brief:

The Acting Risk Coordinator addressed the meeting on this item.

COMMITTEE RECOMMENDATION

That the ARIC note the various Action Items arising from previous meetings including those items which had been deferred pending appointment of the NBC Head of Internal Audit.

(Mr John Gordon / Mr Robert Dobbie)

5.0 Asset Management Briefing

Proceedings in Brief:

The Asset Strategy Manager – Property Management & Commercial, addressed the meeting on this item. A copy of the PowerPoint presentation is provided at Attachment 1 for the information of members.

Notes:

1. The Plan will be adopted prior to election of the new Council.
2. Ongoing audits are to be conducted throughout this process to ensure no imbalances and to enable reconciliation back to the original data.
3. The Asset Strategy Manager left the meeting at 3.38pm.

COMMITTEE RECOMMENDATION

That the briefing on Asset Management provided to the Committee be received.

(Mr Robert Dobbie / Mr Brian Hrnjak)

6.0 Transformation

6.1 NBC Transition Update

Proceedings in Brief:

The Program Director - Transformation addressed the meeting on this item.

ACTION ITEMS:

- ***That an update be provided to the next ARIC meeting on progress on the various high level transition projects***

COMMITTEE RECOMMENDATION

That the ARIC note the work undertaken to date.

(Mr Brian Hrnjak / Ms Liezel Preller)

6.2 IT Transition Projects & Risks

Proceedings in Brief:

The Chief Information Officer addressed the meeting on this item.

ACTION ITEMS:

- *That a progress update be provided to the next ARIC meeting*

COMMITTEE RECOMMENDATION

That the ARIC note the work undertaken to date.

(Mr John Gordon / Mr Robert Dobbie)

Note:

1. The Insurance & Project Accounting Manager joined the meeting at 4.10pm.

6.3 Risk Management & Insurance Update

Proceedings in Brief:

The Chief Financial Officer together with the Insurance & Project Accounting Manager addressed the meeting on this item.

COMMITTEE RECOMMENDATION

That the ARIC note the insurance update.

(/)

Notes:

1. The Chief Information Officer and the Insurance & Project Accounting Manager left the meeting at 4.25pm.
2. The Executive Manager, HR, and the WHS/Workers Compensation Manager joined the meeting at 4.26pm.

6.4 WorkCover KPI Progress Overview

Proceedings in Brief:

The Executive Manager, HR, and the WHS/Workers Compensation Manager, addressed the meeting on this item.

COMMITTEE RECOMMENDATION

That the ARIC note the WHS data and performance as at 31 December 2016.

(Ms Liezel Preller / Mr Brian Hrnjak)

6.5 Staff Engagement Survey Results

Proceedings in Brief:

The Executive Manager, HR, addressed the meeting on this item.

ACTION ITEMS:

- ***That a summary report on outcomes following the next staff survey (to be conducted after staff consolidation) be provided to ARIC, including any additional comparative data captured and any additional action plans implemented***

COMMITTEE RECOMMENDATION

That the Audit, Risk & Improvement Committee note the results of the NBC Staff Engagement Survey.

(Mr Robert Dobbie / Ms Liezel Preller)

Notes:

1. The Executive Manager, HR, and the WHS/Workers Compensation Manager left the meeting at 4.50pm.

7.0 Governance & Risk Management

7.1 Governance & Enterprise Risk Management Report

Proceedings in Brief:

The Acting Executive Manager, Governance and Enterprise Risk, and the Acting Risk Coordinator addressed the meeting on this item.

COMMITTEE RECOMMENDATION

That the Audit, Risk and Improvement Committee receive, note the reports and endorse the work undertaken to date to ensure that NBC is adequately managing their governance and enterprise risk.

(Mr Brian Hrnjak / Mr Robert Dobbie)

8.0 Internal Audit Matters

8.1 Update on Internal Audit Annual Plan 2016/17

Proceedings in Brief:

The Acting Risk Management Coordinator and the Head of Internal Audit, North Shore Councils, addressed the meeting on this item.

ACTION ITEMS:

- ***That consideration be given to scaling back to only critical internal audits during the transition stage***
- ***That the Internal Audit Annual Plan be reviewed at the next ARIC Meeting***

COMMITTEE RECOMMENDATION

That the ARIC receives the report and notes the current status of Internal Audit Activities.

(Mr Robert Dobbie / Ms Liezel Preller)

8.2 Appointment of Head of Internal Audit

Proceedings in Brief:

The Acting Executive Manager, Governance & Enterprise Risk, addressed the meeting on this item.

Notes:

1. The Chairperson declared a conflict of interest and withdrew his offer to assist on the selection panel as he was acting as a referee for one of the applicants.
2. The selection panel will consist of three voting members. The participation of ARIC members would benefit the recruitment process but any participation would have to be strictly non-voting.

9.0 Update from the NSW Audit Office

Proceedings in Brief:

Mr Brett Hanger, External Auditor – Hill Rogers, addressed the meeting on this item. Mr Hanger advised that the NSW Audit Office representative would be present at the next ARIC Meeting to present the Client Service Plan.

ACTION ITEMS:

- ***That the Client Service Plan be presented to the May ARIC Meeting by the NSW Audit Office representative.***

10.0 General Business

10.1 Verbal Update by the General Manager

Proceedings in Brief:

The General Manager addressed the meeting on this item.

10.2 NBC Induction Tour

Proceedings in Brief:

The Acting Risk Coordinator addressed the meeting on this item.

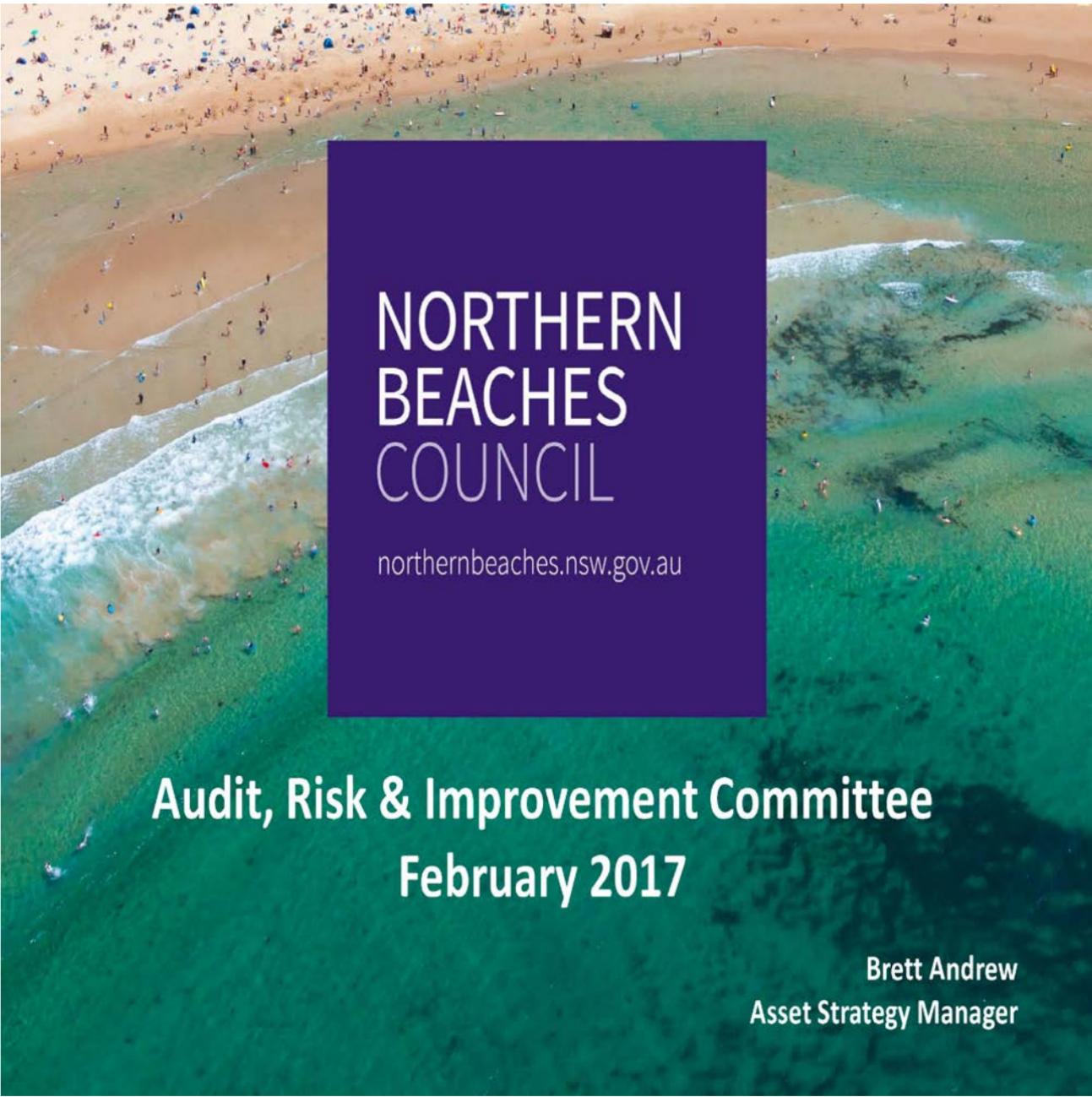
ACTION ITEMS:

- *That consideration be given to conducting the tour in the morning instead of the afternoon on the same date.*
- *That the tour be extended to include the Coastal Environment Centre and Sydney Lakeside Holiday Park.*

11.0	Next Meeting
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The next meeting of the Audit, Risk & Improvement Committee will be held on Tuesday 16 May 2017 in the Conference Room, Level 3, 5 Vuko Place, Warriewood, commencing at 3.00pm.

**THERE BEING NO FURTHER BUSINESS
THE AUDIT, RISK & IMPROVEMENT COMMITTEE MEETING
CONCLUDED AT 5.40PM ON TUESDAY, 21 FEBRUARY, 2017.**



**NORTHERN
BEACHES
COUNCIL**

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**Audit, Risk & Improvement Committee
February 2017**

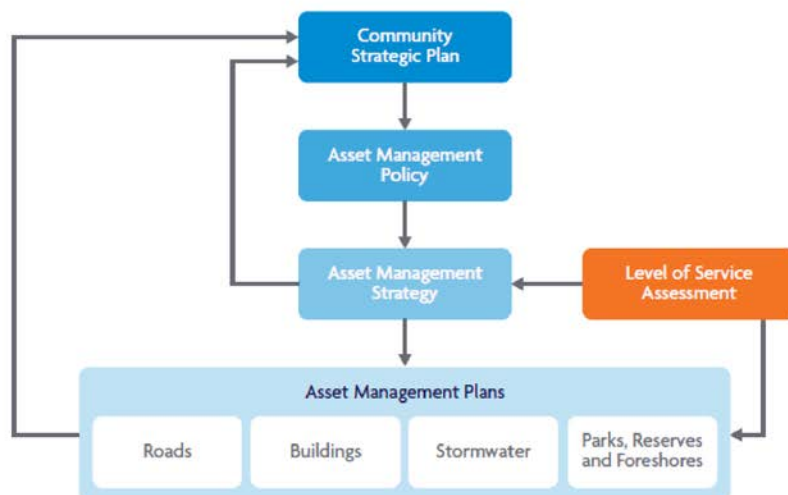
**Brett Andrew
Asset Strategy Manager**

Agenda

Environment & Infrastructure Core Services Projects

1. Strategic Asset Management
2. Infrastructure Asset Management, Delivery & Planning

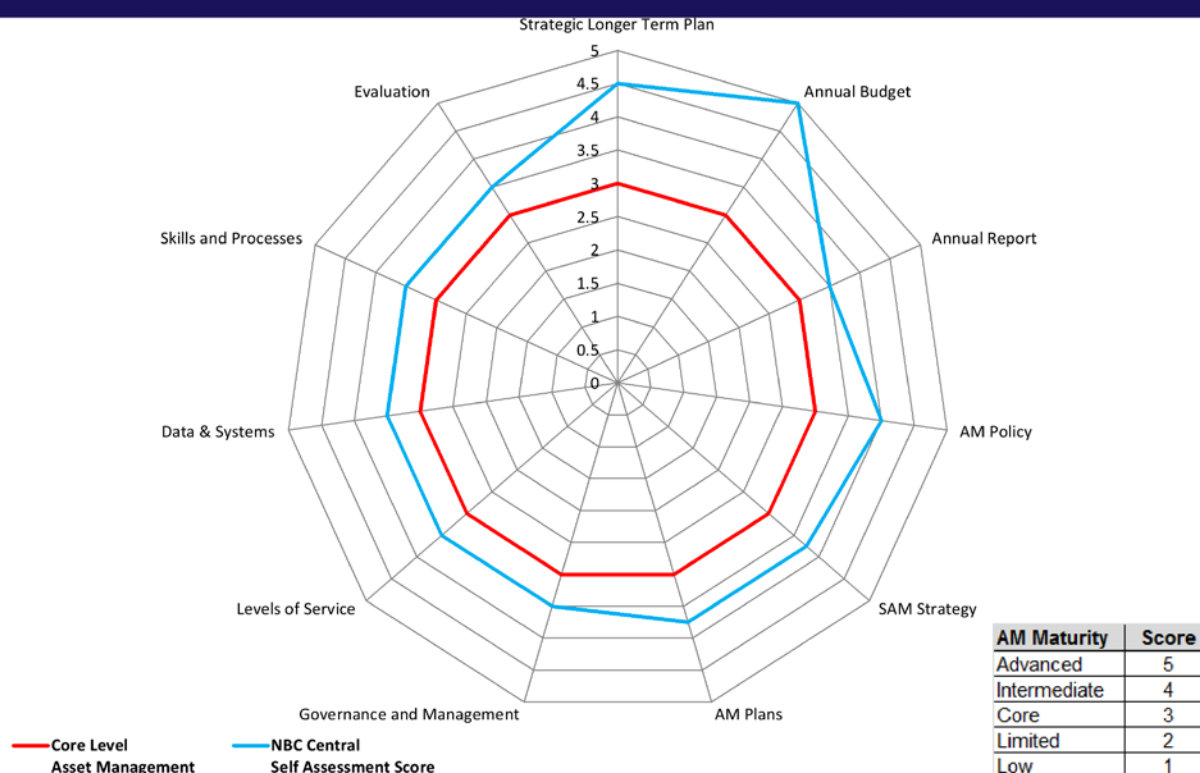
Asset Management Linkages



Strategic Asset Management

1. Development of NBC Asset Management Policy, Asset Management Strategy, Asset Management Plans and Asset Management Improvement Program (AMIP)
2. Review Asset Responsibilities and align to the new organisational structure
2. Implement core system Asset Registers – Financial and Operational asset registers within TechOne Works and Assets

NBC Core Systems and Practices Asset Management Maturity Assessment Self Assessment 2016



Infrastructure Asset Management, Delivery & Planning

1. Develop an integrated Asset Management Plan for each infrastructure asset class – Buildings, Roads, Stormwater, Parks & Reserves.
2. Development of structures, governance and processes for more coordinated capital planning and delivery for future renewal, upgrade and new infrastructure assets across Council
3. Build capacity of teams to plan and deliver capital works programs, with a single reporting mechanism
4. Determine the requirements of ideal financial and non-financial asset dashboards and reporting frameworks, to enable stronger strategic management of assets by asset owners, including optimised decision making of maintenance and capital renewal planning and delivery

OLG SS7 Audit Preparedness Criteria

1. Asset knowledge & data
2. Strategic asset planning processes
3. Operations and maintenance work practices
4. Information systems

NBC Asset Management Integration

1. Review of AM Policy, AM Strategy, AM Plans, and AMIP from former Councils
2. Review previous AM Governance Frameworks
3. Review Core AM systems – functionality & implementation
4. Desktop review of asset data structure & 2016-17 Annual Financial Statements results, in preparation for creation of North and South assets within TechOne to create:
 1. Financial Assets
 2. Operational Assets

Asset Data & Knowledge

- High degree of asset knowledge
- Asset hierarchies – aligned to financial reporting requirements
- Critical Assets identified - criteria, inspection frequency, reporting capability
- Technical asset register = Financial asset register
- Asset Management Improvement Plan to continue to improve our Asset Management practices