



northern
beaches
council

MINUTES

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

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

TUESDAY 14 MARCH 2023

Minutes of the Audit, Risk and Improvement Committee Meeting
held on Tuesday 14 March 2023
in the Flannel Flower, Civic Centre, Dee Why
Commencing at 2pm

ATTENDANCE:

Voting Members of the Committee

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

Council Officers (non-voting)

Ray Brownlee PSM	Chief Executive Officer
Louise Kerr	Director Place and Planning
Jeff Smith	Director Corporate & Legal
Karen Twitchett	Director, Workforce & Technology
Sarah Dunstan	Executive Manager Governance and Risk
Sally Hall	Executive Manager Internal Audit & Complaints Resolution (<i>remote</i>)
Aline Fernandes	Internal Auditor

Visiting staff:

David Walsh	Chief Financial Officer (<i>Items 6.2, 10.1, 10.2</i>)
Caroline Foley	Executive Manager Financial Planning & Systems (<i>Items 6.2, 10.1, 10.2</i>)
Mark Jones	Executive Manager Strategy & Performance (<i>Items 6.3, 7.1, 7.2</i>)
Michael McDermid	Manager, Corporate Strategy (<i>Item 6.1</i>)
Azmeena Kelly	Executive Manager Environmental Compliance (<i>Item 7.2</i>)
Andrew Ward-Harvey	Acting Director Environment & Sustainability (<i>Item 7.3, 7.4</i>)
Richard Li	Manager, Cleansing Services (<i>Item 7.3, 7.4</i>)
Craig Sawyer	Executive Manager Transport & Civil Infrastructure (<i>Item 6.1</i>)
Amy Noakes	Executive Manager Human Resources (<i>Item 12.1</i>)
Glenn Quince	Team Leader – WHS (<i>Item 12.1</i>)
Lisa Donohue	Workers Compensation Team Leader (<i>Item 12.1</i>)
Anna Moore	Senior Governance Advisor (<i>minutes</i>)

Council Auditors (non-voting)

Ms Aisling Kilgannon	Internal Audit, Senior Manager, KPMG (<i>remote</i>)
Mr Furqan Yousuf	A/Director of Financial Audit Services, Audit Office of NSW
Mr Greg Baker	Audit Office of NSW

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*NOTE: THE COMMITTEE MET IN CAMERA PRIOR TO THE ORDINARY MEETING
COMMENCING WITH RAY BROWNLEE, CHIEF EXECUTIVE OFFICER PRESENT*

1.0 APOLOGIES

Nil

2.0 DISCLOSURES OF INTEREST

Nil

3.0 CONFIRMATION OF MINUTES

3.1 MINUTES OF AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD 6 DECEMBER 2022

COMMITTEE RESOLUTION

That the minutes of the Audit, Risk and Improvement Committee meeting held 6 December 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

Nil

6.0 STANDING ITEMS

6.1 VERBAL UPDATE BY THE CHIEF EXECUTIVE OFFICER

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) advised that Sarah Richardson had resigned from the Committee and that a process of recruitment was about to commence.

He then introduced Louise Kerr, Director Planning and Place, who will be the interim CEO during

the recruitment process to find a permanent replacement.

The CEO raised the following matters for discussion:

- Status of the Enterprise Resource Planning project
- An update on URM negotiations

The Chair noted that an in camera meeting was held with the CEO prior to the start of the meeting and wished the CEO well with his return to Randwick. The Chair and all members commended the CEO's efforts and support for ARIC which has resulted in the focus of the committee being able to mature past compliance towards improvements.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the verbal update by the Chief Executive Officer.

6.2 FINANCE UPDATE

Note : David Walsh and Caroline Foley joined the meeting for this item

PURPOSE

To provide an update on the financial performance of the Council as at 31 December 2022.

DISCUSSION

David Walsh, Chief Financial Officer and Caroline Foley, Executive Manager Financial Planning & Systems presented the highlights of the report to the Committee.

The Committee discussed:

- The time lag to recover fine income
- Vacancy rates and leave balances after COVID and related temporary impacts
- Potential impacts of CAPEX works being pushed out on project costs and measures undertaken regarding this.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the finance update as at 31 December 2022.

6.3 PERFORMANCE REPORTING UPDATE - DECEMBER 2022

Note: Mark Jones, Azmeena Kelly and Michael McDermid joined the meeting

PURPOSE

To report on performance as at December 2022 against measures in Council's Operational Plan 2022/23.

DISCUSSION

Michael McDermid, Manager Corporate Strategy, introduced the report advising that 81% of key performance measures have been met or were approaching target and that measures are still being affected by weather and resourcing.

The Chair acknowledged the detail in the report. The Committee discussed matters within the reporting including participation rates of family day care.

ACTIONS

1. Provide an estimate of mandatory food inspections completed in March – Azmeena Kelly
2. Check colour coding of number of road safety events – Michael McDermid
3. Consider how Council can support getting number of children attending family day care to where it should be – Louise Kerr to discuss with relevant area

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the report.

7.0 IMPROVEMENT

7.1 BUSINESS EXCELLENCE AND CONTINUOUS IMPROVEMENT

PURPOSE

To provide the Committee with an update on the Northern Beaches Council's continuous improvement program.

DISCUSSION

The Executive Manager Strategy and Performance presented an overview of the report and foreshadowed larger reports would be coming to ARIC in the future with the upcoming service reviews.

The ARIC discussed the program and congratulated the team on how well this area was developing including the reporting clarity over the years. Members recognised and commended Council for the investment in continuous improvement which together with the benchmarks and service reviews is supporting improvement across Council.

COMMITTEE RESOLUTION

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

7.2 BENCHMARKING REPORT - ENVIRONMENTAL HEALTH

PURPOSE

This report details the bespoke benchmarking undertaken for the Environmental Health service operated by Environmental Compliance.

DISCUSSION

Mark Jones, Executive Manager Strategy and Performance, and Azmeena Kelly, Executive Manager Environmental Compliance introduced the report.

The Executive Manager Strategy and Performance advised this was a preamble to a service review and that the Environmental Compliance team would receive the report to implement recommendations.

The Executive Manager Environment Compliance advised how the team was using the data and had refined processes to address customer concerns.

The ARIC discussed the quality of the bespoke benchmarking, noting it produced better quality than the generic benchmarking exercises previously undertaken and a quicker payback and earlier indicator of issues that can feed into a service review.

ACTIONS

Review recommendations from benchmarking in 12 months to see if implemented and how progressing – Azmeena Kelly/Mark Jones

COMMITTEE RESOLUTION

That the Audit, Risk & Improvement Committee noted the findings of the bespoke benchmarking pilot on the service of Environmental Health.

7.3 BENCHMARKING REPORT - DOMESTIC WASTE MANAGEMENT SERVICE

Note: Andrew Ward-Harvey and Richard Li joined the meeting

PURPOSE

To provide an update on Council's Bespoke Benchmarking Program, in relation to Council's domestic waste service.

DISCUSSION

Andrew Ward-Harvey, A/Director Environment and Sustainability, presented the report highlighting the results and that his team was working on the strategy document and looking at finding further opportunities with other councils.

Members discussed a number of points and highlighted that the report presented fantastic information and was reassuring to see how Council benchmarks with other councils.

ACTIONS

Consider a customer satisfaction piece in annual report about waste and how working forward with improvements – Andrew Ward-Harvey

COMMITTEE RESOLUTION

The Audit Risk and Improvement Committee noted the findings of the bespoke benchmarking on the domestic waste management service.

7.4 STREET SWEEPING SERVICE - OPTIONS - BUSINESS CASE

PURPOSE

To brief ARIC on a staff proposal to transition to an in-house street sweeping service delivery model in anticipation of commencing the procurement process for new equipment by the end of March 2023.

DISCUSSION

Andrew Ward-Harvey, A/Director Environment and Climate Change, and Richard Li, Manager Cleansing provided an overview of the options contained within the report.

The ARIC discussed in detail options including harmonisation of service, scaling and staging of service, staffing implications and long term financial planning matters.

COMMITTEE RESOLUTION

The Audit Risk and Improvement Committee noted the proposal.

8.0 FRAUD AND RISK MANAGEMENT

Nil

9.0 SPECIAL AGENDA ITEMS

9.1 LEASE AND LICENCE REGISTER

PURPOSE

To present to the Audit, Risk and Improvement Committee the Lease and Licence Register (Register) for the financial year ended 30 June 2022.

DISCUSSION

The Chair introduced the item stating that the register is brought to ARIC for visibility, members discussed the variation in community charges across the register.

ACTIONS

Prepare a report to include:

- Details of any 'expired' leases/licences and the current arrangement (month to month)
- Explanation/rationale of the variation in lease/license costs

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the presented Annual Lease and Licence Register and provide authorisation for the Annual Lease and Licence Register to be made publicly available after removal of all personal and sensitive information.

10.0 EXTERNAL AUDIT

10.1 AUDIT OFFICE CLOSING REPORT AND MANAGEMENT LETTER FOR THE 2021/22 FINANCIAL YEAR

Note : David Walsh and Caroline Foley rejoined the meeting for this item

PURPOSE

To provide the Audit, Risk and Improvement Committee with the Audit Office of New South Wales (NSW) Engagement Closing Report and Management Letter for the year ended 30 June 2022 for their review.

DISCUSSION

Nil

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the Audit Office of New South Wales Management Letter on the audit for the year ended 30 June 2022 and the 2022 Engagement Closing Report.

10.2 PLANNING FOR AUDIT OF 2022/23 FINANCIAL STATEMENTS

Note : David Walsh and Caroline Foley stayed in the meeting for this item

PURPOSE

To present the Audit Office of NSW's Annual Engagement Plan for the audit of Northern Beaches Council's financial statements for the period 1 July 2022 to 30 June 2023 to the Audit, Risk and Improvement Committee.

DISCUSSION

The Chair introduced Furqan Yousuf, Director of Financial Audit Services, Audit Office of NSW, who discussed the engagement plan and explained the key areas for review:

- Comprehensive revaluation of IPPE
- Assessing fair value of IPPE
- Rehabilitation provisions
- Quality and timeliness of financial reporting (sector wide review)
- IT general controls
- Cyber security (sector wide review)

The ARIC discussed IT Audit costs that were not included in the fee estimate. The Director of Financial Audit Services, Audit Office of NSW advised that as this was a new standard they were uncertain of the cost but didn't expect there to be an increase in costs for Council.

ACTIONS

1. Schedule extraordinary meeting to review draft financial statements - Governance

2. Circulate Audit Office Roads to Recovery reports to ARIC when available (October / November 2023) – Caroline Foley.

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the Audit Office of NSW's Annual Engagement Plan for the audit of the financial statements for the period 1 July 2022 to 30 June 2023.

11.0 INTERNAL AUDIT

11.1 INTERNAL AUDIT UPDATE REPORT

Note: Craig Sawyer joined the meeting

PURPOSE

To provide an update to the Audit, Risk and Improvement Committee on all aspects of Internal Audit work since the last meeting.

DISCUSSION

The Chair advised that the report was taken as read. Craig Sawyer, Executive Manager Transport & Civil Infrastructure discussed two actions which satisfied the Committee.

The ARIC discussed the report including an update from the Director of Workforce and Technology regarding the approach to prioritising ICT projects and resources through the Budget Panels.

ACTIONS

1. Report back once the budget is finalised on any projects that are audit recommendations that are not financially supported in 23/24 budget – Karen Twitchett
2. Prepare and circulate a memo on the size of the Meals on Wheels services to ARIC – David Kerr

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the report.

12.0 FEATURE TOPIC

12.1 WORK HEALTH & SAFETY AND WORKERS COMPENSATION REPORT FOR THE PERIOD JULY TO DECEMBER 2022

Note: Amy Noakes, Glenn Quince and Lisa Donohue 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 July to December 2022.

DISCUSSION

Amy Noakes, Executive Manager Human Resources, provided an overview of the report highlights.

Members discussed key issues including:

- Employee Assistance Program uptake and trends
- Pulse survey results
- Workers compensation management

The CEO acknowledged the excellent work by the WHS team for the development of the trend data and great results overall.

ACTIONS

Include the Workers Compensation Dashboard report – Amy Noakes

COMMITTEE RESOLUTION

The Audit, Risk and Improvement Committee noted the update as at 31 December 2022.

13.0 GENERAL BUSINESS

13.1 AGENDA ITEMS FOR NEXT MEETING

PURPOSE

To provide the Committee with an opportunity to consider agenda items for the next meeting.

DISCUSSION

An addition to an upcoming meeting was requested.

ACTION

Include a post incident review of flood resourcing to a future ARIC meeting – Todd Dickinson

COMMITTEE RESOLUTION

The Committee discussed the forward agenda for the June 2023 meeting.

NOTE: That Chair thanked and acknowledged Sarah Richardson for her time and commitment to the ARIC and wished her good luck with all future endeavours.

14.0 NEXT MEETING

Tuesday 13 June 2023

Meeting closed 4:08pm