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# Audit, Risk and Improvement Committee - meeting update

*Responsible Officer: Group Manager People and Performance (Helen McNeil)*

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## Recommendation

That Council receive and note the:

1. Attached minutes from the Audit, Risk and Improvement Committee meeting of 25 July 2022; and
2. Audit, Risk and Improvement Committee performance report for the period 2021-2022.

## Background

The Audit, Risk and Improvement Committee ('Committee') met on 25 July 2022. A copy of the minutes of the meeting are provided at [Attachment 1](#).

## Key messages

### 1. Chair's report – Committee Performance Review 2021-2022

The 2021-22 Committee Performance Report was endorsed by the Committee and is presented to Council by the Committee Chair - see [Attachment 2](#).

### 2. Risk and compliance

The committee was provided with a snapshot of Council's insurance claims profile over the period 2017-2022.

The Committee was also provided a status update on Council's current insurance claim for damage/loss suffered as a result of the February/March 2022 flood events and a verbal update on funding options available for infrastructure and assets not covered by insurance.

### 3. Governance

The status/currency of Council's 30 policies was reported to the Committee. Currently, two-thirds of Council's policies require review as part of the normal review cycle, which had stalled due to the February/March 2022 flood events and competing priorities. Several of these policies have now been reviewed and have been put forward for adoption by Council at this August 2022 meeting under cover of separate reports.

An update on the operation of Council's section 355 committee – the landowner volunteer floodgate operator program – was provided to the Committee.

The Committee was also provided an update on the requirement to make superannuation contributions to eligible Committee members in conjunction with the payment of their sitting fee. It was noted that the Councillor member on the Committee is not paid a sitting fee and is not eligible for superannuation contributions.

### 4. Audit

The Committee received a status update on the implementation of outstanding internal and external audit recommendations.

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- Internal Audit:

Internal audit recommendations across several areas remain outstanding, including asset management, work, health and safety, and procurement. Resourcing and other challenges in progressing these actions were discussed. The Committee will have a particular focus on the nominated due dates of these actions going forward.

- External Audit:

Several recommendations made in the interim and final management letters issued between 2019-2022 by the NSW Audit Office remain outstanding.

One new recommendation in the interim management letter for the financial year ending 30 June 2022 was made and relates to requests for changes to Council's vendor/supplier masterfile in the finance/payment system.

## **5. Financial Management**

The Committee received and noted the information presented in the Financial Management - July 2022 report regarding:

- The Draft Delivery program / Operational plan and 2022/23 Budget furnished to Council's June 2022 meeting applicable for 1 July 2022 to 30 June 2023.
- Interim audit - management letter.
- The presentation format of the draft Financial Statements for year ending 30 June 2022.
- Revaluations of water network infrastructure.
- The Investment report furnished to Council's June 2022 meeting applicable for the month of 31 May 2022.

## **6. Performance**

A summary of statistics on Code of Conduct and Public Interest Disclosures received by Council and section 11 ICAC reports made for the preceding year was presented to the Committee. This information was previously reported to Council at its 20 October 2021 meeting.

This report was due to be presented to the March 2022 Committee meeting, being the first Committee meeting following the completion of Council's annual reporting requirements, however, was held over to a later meeting due to the cancellation of the March meeting following the floods.

## **7. ICT business plan – status update**

The Committee received an update on the implementation status of the objectives outlined in the 2019-2021 ICT Business Plan ('Plan').

While progress had been made towards implementing some of the outstanding Plan objectives, it was noted that the February/March 2022 flood events had necessitated a change in priorities and reallocation of resources away from those outlined in the Plan. For example, a focus became rapidly bringing the new site at Gallans Road online in order to effectively operate as the redundancy location for other impacted sites, such as the Kyogle Street depot.

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## 8. Other matters

A summary of the legislative changes forthcoming under the new *Public Interest Disclosures Act* and the key findings of the review by the NSW Auditor-General on compliance with the NSW Cyber Security Policy by certain NSW government agencies was presented to the Committee for its information.

An overview of the requirements of declared dam owners (i.e. Council) under the *Dam Safety Act 2015* and the *Dam Safety Regulation 2019*, including the status of Council's compliance with the same, was also provided to the Committee.

### Consultation

This report was prepared in consultation with the Audit, Risk and Improvement Committee Chairperson.

### Conclusion

This report provides a summary of the key messages from the 25 July 2022 Audit, Risk and Improvement Committee meeting.

### Attachment

1. Audit, Risk and Improvement Committee meeting minutes 25 July 2022
2. Committee Performance Review - period 2021-2022