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# Audit Risk and Improvement Committee - meeting update

Responsible Officer: Group Manager People and Performance

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## Recommendation

That Council receive and note the attached minutes from the Audit, Risk and Improvement Committee meeting of 27 February 2023.

## Background

The Audit, Risk and Improvement Committee ('Committee') met on 27 February 2023. A copy of the minutes of the meeting is provided at [Attachment 1](#).

### 1. Audit

The Committee received an update on staff's progress towards implementing improvement recommendations made by Council's external auditors and internal auditors across the areas of work, health and safety, asset management, procurement, and IT general controls, as well as self-assessed improvement actions relating to emergency management and business continuity planning following the 2022 floods.

### 2. Financial Management

The Committee received and noted the information presented in the Financial Management Report – February 2023 regarding:

- The Quarterly Budget Review report furnished to Council's February 2023 meeting applicable for the quarter ending 31 December 2022.
- The Investment report furnished to Council's February 2023 meeting applicable for the month of 31 January 2023.

The Annual Engagement Plan issued by the Audit Office of NSW ('AO') for the year ending 30 June 2023 was presented to the Committee by Thomas Noble and Russell ('TNR') as agent for the AO.

### 3. Performance and improvement initiatives

As reported to Council at its 14 December 2022 meeting, the Committee was provided with the annual statistical summary of all Code of Conduct complaints and public interest disclosures made over the preceding year – refer to the table below:

Office of Local Government	Model Code of Conduct complaints	1 September 2021 – 31 August 2022	0
NSW Ombudsman	Public Interest Disclosures	1 January 2022 – 31 December 2022	0
Independent Commission Against Corruption	Section 11 ICAC Act reports	1 January 2022– 31 December 2022	0

### 4. Strategy implementation

A copy of the council report on performance against delivery of actions under the Delivery Program/Operational Plan presented to the 15 February 2023 Council meeting was also furnished to the Committee.

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## 5. Health, safety and environment

The Committee was provided with a snapshot of safety incidents and reporting trends between September 2022 – February 2023 indicating a correlation between enhanced engagement/training activities and the modest improvement in rates of reporting.

## 6. Industrial relations

An overview of the dispute lodged by the United Services Union ('USU') in the Industrial Relations Commission ('Commission') in connection with the relocation of Council worksites to the Gallans Road, Ballina site was provided to the Committee. Further updates will continue to be provided to the Committee while the matter remains in the Commission.

## 7. Release of mandatory 'risk management and internal audit for Local Government in NSW' guidelines

In September 2019 the Office of Local Government ('OLG') released for discussion its first iteration of the mandatory guidelines – 'Risk management and internal audit for local government in NSW' ('Guidelines').

The Guidelines subsequently went through several rounds of consultation, feedback, and amendment with the OLG inviting final feedback in 2021.

On 19 December 2022 the OLG released [circular 22-41](#) advising the [Guidelines](#) had been approved but remained in draft format. Amendments to the *Local Government (General) Regulation 2021* are required to give effect to various aspects of the Guidelines. Those amendments are expected to occur in early 2023.

These new Guidelines mean that from 1 July 2024, the Committee will need to be composed of one (1) Independent Chair and two (2) Independent Members with an option to include one non-voting Councillor Member.

The incumbent Chair has indicated he will not be seeking reappointment to the position of Chair for a further term. On that basis, a recruitment process is currently underway to source suitable candidates to fill the position of Chair and the additional Independent Member position required to be created under the Guidelines.

The Council will be presented with the results of this process at its June 2023 ordinary meeting and asked to appoint their preferred candidates.

The Committee Charter will also be updated to reflect the new composition requirements at the end of the 2023 calendar year to allow the term of the current Councillor member to expire naturally. As part of endorsing a revised Committee Charter, the Council will need to determine a position on whether to include a non-voting councillor member on the Committee going forward.

### 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 27 February 2023 Audit, Risk and Improvement Committee meeting and other associated matters.

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Attachment

1. Audit, Risk and Improvement Committee meeting minutes 27 February 2023.