
Audit, Risk and Improvement Committee - meeting update

Responsible Officer: Group Manager Organisational Services (Helen McNeil)

Recommendation

That Council:

1. Receive and note the:
 - (a) Attached minutes from the Audit, Risk and Improvement Committee meeting of 22 July 2024, and
 - (b) Audit, Risk and Improvement Committee performance report for the period 2023-2024.
2. Revoke the Internal Audit Charter dated 23 November 2020, and any charter revived as a result, and approve the revised Internal Audit Charter attached to this report.

Background

The Audit, Risk and Improvement Committee ('Committee') met on 22 July 2024. A copy of the minutes of the meetings are attached ([Attachment 1](#)).

Key Messages

1. Chair's report – Committee Performance Review 2023-2024

The 2023-2024 Committee Performance Report was endorsed by the Committee and is presented to Council at this meeting by the Committee Chair – see [Attachment 2](#).

2. Financial Management

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

- The final 2024/25 Operational plan and Budget adopted at Council's June 2024 meeting applicable for 1 July 2024 to 30 June 2025.
- NSW Audit Office – Interim Audit – Management Letter.
- The presentation format of the draft Financial Statements (to 31 May 2024) for year ending 30 June 2024.
- Revaluation of land and building infrastructure.
- The Investment report furnished to Council's June 2024 meeting applicable for the month of May 2024.

3. Risk and compliance

An overview of the progress of the Enterprise Risk Management (ERM) review and the Fraud Control Improvement Program was provided to the Committee.

Reporting on the General Manager's top 'High' rated risks (listed below), and associated controls, was also provided for consideration and periodic oversight by the Committee:

1. Lone/Isolated work
2. Cyber Security
3. Supply Chain issues
4. Fatigue/Burn out
5. Attraction/Retention of specialist staff

4. Health Safety and Environment

The Committee received its regular performance and insights snapshot relating to health and safety matters, such as injury and incident numbers/types/trends, for the period May – June 2024.

An overview of the following programs and legislative changes were also provided to the Committee for its consideration and awareness:

- **Lone/remote isolated worker management** – the implementation of 2-up staffing arrangements and mandatory welfare check-ins/check-outs are in the process of being documented within a corporate procedure and education materials developed for the implementation of these new arrangements.
- **Workplace psychosocial risk management** – in conjunction with its workers compensation insurer (StateCover), a program to support the management of psychosocial risks within Council's workplace is being developed to ensure Council is in a position to satisfy its obligations under the changes to the *Work Health and Safety Regulation 2017*.
- **New Industrial Manslaughter Laws** - On 20 June 2024 the NSW Parliament passed legislative changes to the *Work Health and Safety Act 2011* creating an offence of industrial manslaughter. The implementation of these laws is expected to set a higher standard of accountability in workplace safety practices across NSW.

5. Audit

The Committee received its regular update on staff progress implementing improvement recommendations arising from internal and in-house service audits across the practice areas of ICT, safety, procurement, and emergency management.

Further to the presentation of the draft internal audit report on records management provided to the 30 April 2024 Committee meeting, a copy of the final report including management responses was provided to the Committee.

In relation to the interim financial audit, only one (1) partial prior year management issue/matter related to the accessibility and review frequency of IT policies and procedures was identified. No new management issues were identified by the NSW Audit Office.

6. Internal Audit Charter

The Committee endorsed the submission of the revised Internal Audit Charter ([Attachment 3](#)) to the governing body for approval.

The Model Internal Audit Charter published by the Office of Local Government forms the basis of the revised document with some modest inclusions to make it suitable for Council. The revised document is consistent with the Guidelines and applicable legislative and regulatory requirements recently introduced as part of the new [Guidelines for Risk Management and Internal Audit](#) (Guidelines).

The revised Internal Audit Charter is intended to replace the existing document dated 23 November 2020 ([Attachment 4](#)) adopted prior to the development and introduction of the new Guidelines.

The Committee noted its preference that only one (1) position within the existing organisation structure be designated as the Internal Audit Coordinator referred to in the revised Internal Audit Charter. The General Manager will have regard to this when making the said designation should Council approve the revised document.

7. Dam Safety

The Committee received a further progress update on the implementation of the outstanding actions (9 non-compliances and 11 improvement recommendations) identified in the audit report issued by Dam Safety NSW on 7 June 2023. As at the date of this update to the Committee, only 3 non-compliance and 1 recommendation remained to be addressed. These matters are expected to be resolved by December 2024 and have been assessed as minor in nature by Council staff.

Attachments

1. Audit, Risk and Improvement Committee meeting minutes 22 July 2024
2. 2023-2024 Committee Performance Report – see Agenda Item 10.1
3. Revised Internal Audit Charter (for **approval**)
4. Internal Audit Charter dated 23 November 2020 (for **revocation**)