
Audit, Risk and Improvement Committee - meeting updates

Responsible Officer: Group Manager Organisational Services (Helen McNeil)

Recommendation

That Council receive and note the attached minutes from the Audit, Risk and Improvement Committee meetings of 14 October and 25 November 2024.

Background

The Audit, Risk and Improvement Committee ('Committee') met on 14 October and 25 November 2024. Copies of the minutes of the meetings are attached (Attachment 1 and 2).

Key Messages

1. Finance

An update on and copies of the reports in relation to the following matters were provided to the Committee:

1.1. Annual financial reports 2023/24

- The audited Annual Financial Statements for the year ending 30 June 2024;
- The Engagement Closing Report for the year ending 30 June 2024 prepared by the NSW Audit Office (NSWAO); and
- NSWAO Management Letter on the final phase of the audit for the year ending 30 June 2024.

1.2. Standard financial management reports

- The final Annual Financial Statements for the year ending 30 June 2024, following a period of public exhibition;
- The Quarterly Budget Review Statement report provided to Council's September 2024 meeting applicable for the month ending 30 September 2024; and
- The Investment report provided to Council's October 2024 meeting applicable for the month ending 30 September 2024.

2. Compliance/Internal Controls

2.1. Update on the development of the Lone, Isolated, and Remote Work Procedure

The Committee was advised that the Health, Safety, and Environment (HSE) Team had developed a procedure to enhance the safety and well-being of employees in lone, isolated and remote work settings and address recommendations made in previous internal audits.

The development process involved stakeholder engagement through interviews, surveys, and workshops to ensure the procedure was practical and aligned with industry best practice and regulatory requirements.

The implementation plan includes education, tailored training, and support systems like communication tools and emergency protocols for workers.

2.2. HSE Performance Report July-September 2023 v July-September 2024

A report analysing workplace safety trends within Council based on data from July to September 2024 and comparing it with the same period in 2023 was provided to the Committee.

The analysis found that event reporting increased from 57 in 2023 to 73 in 2024, reflecting an improved safety reporting culture and greater employee engagement. This positive change was also reflected in a rise in completed inspections, from 977 in 2023 to 1,388 in 2024.

While injuries remain low overall, there was an increase in cuts, abrasions, lacerations, and tick bites, highlighting the need for targeted safety protocols and education, especially regarding tick prevention. This increase is another example of a positive change in workplace reporting culture.

3. Risk Management

There was no movement in the rating of the General Manager's top enterprise risks since they were last reported to the Committee in July 2024.

An update on the revised Enterprise Risk Management Framework and efforts to align it with a new digital technology solution, including data cleanup and migration from the current risk registers into the new system, was provided to the Committee.

4. Fraud and Corruption Control Framework

The Committee received an update on the anticipated timing of anti-fraud and corruption activities to be undertaken in 2025, such as a review of policy, procedures, and reporting protocols.

5. Governance

5.1. Policies, Procedures and Delegations

A summary of the currency of Council's policies and procedures was provided to the Committee and an overview of the policies reviewed and approved/re-approved by Council over the preceding year, which included the:

1. Equal employment opportunity policy
2. Financial reserves policy
3. Human resources policy
4. Investment policy
5. Media and Social Media policy
6. Related Party Disclosure
7. Retail water customers' account assistance policy
8. Risk management policy
9. Workplace surveillance policy

An overview of the currency and review program for Council and General Manager issued delegations, designations, and authorisations was also provided to the Committee.

5.2. Information Communication Technology

The Committee was advised of the results of a recent Australian Signals Directorate Essential 8 Maturity Assessment undertaken and associated improvement recommendations being implemented by the ICT team.

An overview of Cyber Security related requests received by the ICT team since the last update to the Committee in July 2024 was also provided including that, in the last quarter 127 Cyber Security requests were logged, with nine requiring further investigation. Four were phishing attempts, two targeting the General Manager and Accounts Payable, but were blocked successfully due to preventative processes in place. Five incidents involved blocking risky files, with four being false positives and one related to easily removed 'bloatware' (software or applications that come pre-installed on devices or systems, that take up excessive storage and can slow down devices and reduce their performance). The remainder were alerts from software updates and new installations.

5.3. Section 355 Committee – Active Floodgate Management program

The Committee was advised of a series of annual recommitment and safety reviews that have occurred as part of Council's landowner volunteer floodgate operator program. The program is a long running initiative that allows select landowners to voluntarily operate modified Council floodgates to improve the environmental condition of drainage systems.

6. Audit

The Committee received an update on the progress of implementing actions arising from internal, external and in-house audits. Between March 2024 – November 2024, seven (7) audit recommendations were implemented and twenty-six (26) remained in progress, with the majority relating to records management which was audited in March/April 2024.

7. Other matters

7.1. Strategic performance – Delivery Program | Operational Plan

An update on and a copy of the report relating to the Delivery Program/Operational Plan was provided to the Committee. This report was previously provided to Council at their 21 August 2024 meeting.

7.2. Committee meeting schedule and workplan for 2025

The Committee approved its meeting schedule and workplan/reporting schedule for 2025. Committee meetings will take place on the following dates in 2025 via audio-visual link and in-person at Invercauld House in Lismore: 24 March, 19 May, 21 July and 13 October and 24 November.

The Committee continues to work with management to identify and close the gaps between current practices and those required under the new compliance legislation for all ARICs, which came into effect on 1 July 2024 for the 24/25 Financial Year reporting period.

8. Update on Project Novus

The Committee received an update on Project Novus (Digital Transformation). There are three releases or projects within the transformation program:

1. Release 1 (Payroll) – the new Payroll platform ‘iChris’ went live in September 2024.
2. Release 2 (Enterprise Resource Planning and Enterprise Asset Management and Customer Relationship Management) – a Systems Integrator has been selected to implement several new software platforms for Council. The release build stage commenced in October 2024.
3. Release 3 (currently in planning) - Release 3 initially includes the Enterprise Risk Management solution. The scope of this release will be expanded and delivered in 2025.

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 14 October and 25 November 2024 Committee meetings.

Attachments

1. Audit, Risk and Improvement Committee meeting minutes 14 October 2024
2. Audit, Risk and Improvement Committee meeting minutes 25 November 2024