

# Notice of Meeting

## Audit, Risk and Improvement Committee Meeting

An Audit, Risk and Improvement Committee Meeting of Byron Shire Council will be held as follows:

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 18 August 2022
Time	11.30AM

Esmeralda Davis  
Acting Director Corporate and Community Services

I2022/1027  
Distributed 11/08/22



**BYRON**  
SHIRE  
COUNCIL

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## CONFLICT OF INTERESTS

**What is a “Conflict of Interests”** - A conflict of interests can be of two types:

**Pecuniary** - an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

**Non-pecuniary** – a private or personal interest that a Council official has that does not amount to a pecuniary interest as defined in the Code of Conduct for Councillors (eg. A friendship, membership of an association, society or trade union or involvement or interest in an activity and may include an interest of a financial nature).

**Remoteness** – a person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to a matter or if the interest is of a kind specified in the Code of Conduct for Councillors.

**Who has a Pecuniary Interest?** - a person has a pecuniary interest in a matter if the pecuniary interest is the interest of the person, or another person with whom the person is associated (see below).

**Relatives, Partners** - a person is taken to have a pecuniary interest in a matter if:

- The person’s spouse or de facto partner or a relative of the person has a pecuniary interest in the matter, or
- The person, or a nominee, partners or employer of the person, is a member of a company or other body that has a pecuniary interest in the matter.

N.B. “Relative”, in relation to a person means any of the following:

- (a) the parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descends or adopted child of the person or of the person’s spouse;
- (b) the spouse or de facto partners of the person or of a person referred to in paragraph (a)

**No Interest in the Matter** - however, a person is not taken to have a pecuniary interest in a matter:

- If the person is unaware of the relevant pecuniary interest of the spouse, de facto partner, relative or company or other body, or
- Just because the person is a member of, or is employed by, the Council.
- Just because the person is a member of, or a delegate of the Council to, a company or other body that has a pecuniary interest in the matter provided that the person has no beneficial interest in any shares of the company or body.

### Disclosure and participation in meetings

- A Councillor or a member of a Council Committee who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or Committee at which the matter is being considered must disclose the nature of the interest to the meeting as soon as practicable.
- The Councillor or member must not be present at, or in sight of, the meeting of the Council or Committee:
  - (a) at any time during which the matter is being considered or discussed by the Council or Committee, or

- (b) at any time during which the Council or Committee is voting on any question in relation to the matter.

**No Knowledge** - a person does not breach this Clause if the person did not know and could not reasonably be expected to have known that the matter under consideration at the meeting was a matter in which he or she had a pecuniary interest.

**Non-pecuniary Interests** - Must be disclosed in meetings.

There are a broad range of options available for managing conflicts & the option chosen will depend on an assessment of the circumstances of the matter, the nature of the interest and the significance of the issue being dealt with. Non-pecuniary conflicts of interests must be dealt with in at least one of the following ways:

- It may be appropriate that no action be taken where the potential for conflict is minimal. However, Councillors should consider providing an explanation of why they consider a conflict does not exist.
- Limit involvement if practical (eg. Participate in discussion but not in decision making or vice-versa). Care needs to be taken when exercising this option.
- Remove the source of the conflict (eg. Relinquishing or divesting the personal interest that creates the conflict)
- Have no involvement by absenting yourself from and not taking part in any debate or voting on the issue as of the provisions in the Code of Conduct (particularly if you have a significant non-pecuniary interest)

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## RECORDING OF VOTING ON PLANNING MATTERS

**Clause 375A of the Local Government Act 1993 – Recording of voting on planning matters**

- (1) In this section, **planning decision** means a decision made in the exercise of a function of a council under the Environmental Planning and Assessment Act 1979:
- (a) including a decision relating to a development application, an environmental planning instrument, a development control plan or a development contribution plan under that Act, but
- (b) not including the making of an order under that Act.
- (2) The general manager is required to keep a register containing, for each planning decision made at a meeting of the council or a council committee, the names of the councillors who supported the decision and the names of any councillors who opposed (or are taken to have opposed) the decision.
- (3) For the purpose of maintaining the register, a division is required to be called whenever a motion for a planning decision is put at a meeting of the council or a council committee.
- (4) Each decision recorded in the register is to be described in the register or identified in a manner that enables the description to be obtained from another publicly available document, and is to include the information required by the regulations.
- (5) This section extends to a meeting that is closed to the public.

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## OATH AND AFFIRMATION FOR COUNCILLORS

Councillors are reminded of the oath of office or affirmation of office made at or before their first meeting of the council in accordance with Clause 233A of the Local Government Act 1993. This includes undertaking the duties of the office of councillor in the best interests of the people of Byron Shire and the Byron Shire Council and faithfully and impartially carrying out the functions, powers, authorities and discretions vested under the Act or any other Act to the best of one's ability and judgment.

# BYRON SHIRE COUNCIL

## BUSINESS OF MEETING

### 1. APOLOGIES

### 2. DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

### 3. ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

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**ADOPTION OF MINUTES FROM PREVIOUS MEETINGS**

**Report No. 3.1      Minutes of the Audit, Risk and Improvement  
Committee Meeting held 19 May 2022**

5    **Directorate:**                      Corporate and Community Services  
**Report Author:**                  Mila Jones, Governance and Internal Audit Coordinator  
**File No:**                              I2022/961

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**RECOMMENDATION:**

**That the minutes of the Audit, Risk and Improvement Committee Meeting held on  
19 May 2022 be confirmed.**

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## BYRON SHIRE COUNCIL

### ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

3.1

#### **Report**

The unconfirmed minutes of the Audit, Risk and Improvement Committee Meeting of 19 May 2022 are available on Council's website and can be viewed by clicking [here](#).

#### **Report to Council**

- 5 The minutes were reported to and adopted by Council on 23 June 2022.

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 4.1 Update from OLG on membership requirements for Audit, Risk and Improvement Committees**

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**Directorate:** Corporate and Community Services  
**Report Author:** Heather Sills, A/ Manager Corporate Services  
**File No:** I2022/925

**Summary:**

10 The Office of Local Government (OLG) [circular 22-21](#) provides an update on the draft *Guidelines for Risk Management and Internal Audit for Local Councils in NSW* (Guidelines).

Key points from the update:

- 15 • The NSW Government's prequalification scheme for audit and risk committee chairs and members has been deemed unsuitable for use by councils.
- The review of this requirement has delayed the release of the final Guidelines, however OLG advise that the delay is insignificant and that the Guidelines will be finalised 'soon'.
- 20 • Full compliance with the requirements in the Guidelines will be required from 1 July 2024.

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This report is provided to ARIC for information only. A further report will be forthcoming once the final Guidelines have been released outlining the impact on Council and the steps required to implement any required changes by the 1 July 2024 deadline.

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**RECOMMENDATION:**

30 **That the Audit, Risk, and Improvement Committee notes the update provided by the Office of Local Government in Circular 22-21 pertaining to the draft Guidelines for Risk Management and Internal Audit for Local Councils in NSW.**

**Attachments:**

- 1 Office of Local Government - Circular 22-21, E2022/70658 

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## Report

5 Under the *Local Government Act 1993*, all councils (including county councils) and joint organisations are required to have an ARIC or to have entered into an arrangement with another council or joint organisation to share an ARIC from 4 June 2022. Byron Shire Council complies with this requirement.

OLG's draft *Guidelines for Risk Management and Internal Audit for Local Councils in NSW*, was issued for consultation last year. Byron Shire Council provided a [submission](#) to the draft Guidelines.

10 The Guidelines will form part of the *Local Government Act Regulations* pursuant to section 428A of the *Local Government Act 1993*. The OLG advised that the Guidelines were expected to be proclaimed for commencement by June 2022.

15 OLG [circular 22-21](#), released on 20 July 2022, provides an update on the draft Guidelines and advises that the finalisation of the Guidelines has been delayed. The key points from the circular are outlined below and in full at Attachment 1.

### **NSW Prequalification Scheme for Audit and Risk Committee Chairs and Members**

The OLG and NSW Treasury have agreed that the NSW Government's Prequalification Scheme for Audit and Risk Committee Chairs and Members will not be suitable for use by councils and joint organisations.

### **20 Membership Requirements**

Under the new requirements, at a minimum ARIC membership is to comprise of the following:

- one independent chair who meets the independence and eligibility criteria for an ARIC chair, and
- 25 • at least two independent members who meet the independence and eligibility criteria for ARIC members – councils may appoint additional independent members should they choose to do so.
- Councils will also have the option of appointing one non-voting councillor member to their ARIC who meets the eligibility criteria for councillor members.

30 The proposed independence and eligibility criteria for ARIC chairs and independent members and the proposed eligibility criteria for councillor members of ARICs are set out in the attachment to the circular (refer Attachment 1).

35 Given that councils will no longer be required to appoint ARIC chairs and members from the NSW Government prequalification scheme, the timeframe for compliance with the ARIC membership requirements in the Guidelines will be brought forward to 1 July 2024.



**Delay to finalisation of the Guidelines**

The review of the aforementioned membership requirements has delayed the release of the final Guidelines. OLG advise that the delay is insignificant and that the Guidelines will be finalised 'soon'.

**5 Strategic Considerations**

**Community Strategic Plan and Operational Plan**

<b>CSP Objective</b>	<b>CSP Strategy</b>	<b>DP Action</b>	<b>Code</b>	<b>OP Activity</b>
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.2: Engage and involve community in decision making	1.2.4: Advisory Committees - Coordinate advisory committees to inform decision making on their areas of expertise	1.2.4.2	Coordinate the Audit Risk and Improvement Committee and internal audit program including reporting

**Recent Resolutions**

- **21-521** - Submission to the Office of Local Government on the Draft Risk Management and Internal Audit for Local Councils in NSW Guidelines

**10 Legal/Statutory/Policy Considerations**

Full compliance with the requirements in the Guidelines will be required from 1 July 2024.

It should be noted that Byron Shire Council currently broadly complies with several of the proposed requirements including for example having an ARIC, a risk management framework, and internal audit functions. Council will need to review the ARIC membership over the next two years to ensure full compliance with the Guidelines by 1 July 2024.

**Financial Considerations**

The update from the OLG provides no further financial considerations. It should be noted, however, that the draft Guidelines included provisions that have the potential to impose a significant increase in financial costs to Council associated with member fees, resourcing of the ARIC (including the requirement for a budget or process to obtain external expertise when required), and to meet increased reporting requirements.

**Consultation and Engagement**

Report provided for information only.

**Report No. 4.2      Draft Constitution of the Audit, Risk and Improvement Committee**

**Directorate:** Corporate and Community Services

**Report Author:** Mila Jones, Governance and Internal Audit Coordinator

5 **File No:** I2022/828

**Summary:**

10 On 19 May 2022, the Audit, Risk and Improvement Committee (ARIC) requested, via committee recommendation, that the Draft Constitution be circulated to ARIC members for feedback prior to being reported back to the Committee. This report provides the Draft Constitution which includes suggested changes as a result of the consultation period.

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**RECOMMENDATION:**

15 **That the Audit, Risk and Improvement Committee recommend to Council that the Draft Audit, Risk and Improvement Committee Constitution (Attachment 1 E2022/73365) be adopted.**

**Attachments:**

20 1 DRAFT Audit Risk and Improvement Committee Constitution 2022 (incorporating feedback from members and Executive Team following 19/05/2022 ARIC meeting), E2022/73365 

## Report

At the Audit, Risk and Improvement Committee (ARIC) meeting on 19 May 2022, members were provided a Draft Constitution for consideration and endorsement. At the meeting, a committee recommendation was made as follows:

5        Committee Recommendation 4.7.1

*That the Audit, Risk and Improvement Committee:*

1.     *Defers consideration of the constitution to receive feedback from the Committee and that the Constitution be reported back to the Committee with feedback prior to being reported to Council for adoption.*

10     This recommendation was subsequently resolved at Council’s Ordinary Meeting held on 23 June 2022 (resolution **22-266**).

During the consultation period, feedback was received from members Cr Hunter and Bernard Grinberg. Attached to this report is the updated Draft Constitution (Attachment 1) which includes the feedback provided and minor amendments from staff.

15     **Key issues**

The changes suggested include information that has been taken from *draft* Guidelines prepared by the Office of Local Government (OLG). The OLG document “Guidelines for Risk Management and Internal Audit for Local Government in NSW” is still in draft and is expected to be finalised shortly. Should the adopted OLG Guidelines include changes, it may be necessary to review the Constitution again.

20

## Strategic Considerations

### Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.2: Engage and involve community in decision making	1.2.4: Advisory Committees - Coordinate advisory committees to inform decision making on their areas of expertise	1.2.4.2	Coordinate the Audit Risk and Improvement Committee and internal audit program including reporting

## Recent Resolutions

- 22-266 – [Ordinary Meeting 23 June 2022](#)

**Legal/Statutory/Policy Considerations**

[Section 428A of the Local Government Act 1993](#)

**Financial Considerations**

Nil for this report.

**5 Consultation and Engagement**

Consultation on the current Constitution was via a Council report on 3 February 2022. Consultation with the Committee on the Draft Constitution took place via the ARIC meeting on 19 May 2022 and from 9 to 24 June 2022.

**Report No. 4.3      Financial Reporting to Audit, Risk and Improvement Committee**

**Directorate:** Corporate and Community Services

**Report Author:** James Brickley, Manager Finance

5 **File No:** I2022/996

**Summary:**

The Audit, Risk and Improvement Committee has requested to be provided with financial reporting to assist in fulfilling its obligations in relation to Financial Management.


10 This report is provided to suggest how financial reporting may be facilitated with the Committee bearing in mind Council also has a separate Finance Advisory Committee that considers financial reporting and makes recommendations to Council.

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15 **RECOMMENDATION:**

**That the Audit, Risk and Improvement Committee receive financial reporting updates as outlined in this report.**

**Attachments:**

20 1 Example of Proposed Financial Reporting, E2022/75324 

## Report

The Audit, Risk and Improvement Committee has requested to be provided with financial reporting to assist in fulfilling its obligations in relation to Financial Management.

5 This report is provided to suggest how financial reporting may be facilitated with the Committee bearing in mind Council also has a separate Finance Advisory Committee that considers financial reporting and makes recommendations to Council.

10 The proposed [Draft Guidelines for Risk Management and Internal Audit Framework for Local Councils](#), page 79-80 outline the role and responsibilities of the Audit, Risk and Improvement Committee regarding financial management. This relates to the financial management framework of Council and ensuring Council is complying with Accounting Standards and other external accountability requirements and has adequate procedures and policies related to financial management, not the specific ongoing review of financial performance of the Council.

15 Council also has a Finance Advisory Committee which meets quarterly on the same day as the Audit, Risk and Improvement Committee. This Committee receives reports on Council's financial performance progressively, including the Quarterly Budget Reviews, and considers these with recommendations to be put forward to the elected Council for determination.

20 Nevertheless, if the Audit, Risk and Improvement Committee wish to receive a financial report for information, it is proposed to provide the same report that is distributed to the elected Council on a monthly basis. This could be distributed to the Audit, Risk and Improvement Committee out of session on a monthly basis, at the same time as the elected Council. A sample report is provided at Attachment 1 and can be accommodated within existing resources. Should an alternate financial report be required by the Audit,  
25 Risk and Improvement Committee, the form and content of the report would need to be considered and an assessment made about any resource implications to prepare it.

30 Whilst this report provides an option for providing financial reporting to the Audit, Risk and Improvement Committee, it also provides an opportunity for the Committee to consider the matter further but that should be in context of the proposed guidelines referred to in this report.

## Strategic Considerations

### Community Strategic Plan and Operational Plan

<b>CSP Objective</b>	<b>CSP Strategy</b>	<b>DP Action</b>	<b>Code</b>	<b>OP Activity</b>
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.3: Ethical and efficient management of resources	1.3.1: Financial Management - Ensure the financial integrity and sustainability of Council through effective financial management	1.3.1.1	Provide monthly financial reports to Executive Team and Council
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.3: Ethical and efficient management of resources	1.3.1: Financial Management - Ensure the financial integrity and sustainability of Council through effective financial management	1.3.1.2	Provide Quarterly Budget Reviews to Council for adoption.
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.3: Ethical and efficient management of resources	1.3.1: Financial Management - Ensure the financial integrity and sustainability of Council through effective financial management	1.3.1.3	Provide completion of Council's statutory annual financial statements for 2021/2022.

<p><b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed</p>	<p>1.3: Ethical and efficient management of resources</p>	<p>1.3.1: Financial Management - Ensure the financial integrity and sustainability of Council through effective financial management</p>	<p>1.3.1.4</p>	<p>Financial reporting as required provided to Council and Management.</p>
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**Legal/Statutory/Policy Considerations**

5 The Local Government Act 1993 (Chapter 13) and Local Government General Regulation 2021 (Part 9) outline the responsibilities of Council amongst other things in regard to financial management.

Section 428A of the Local Government Act 1993 outlines what the Audit, Risk and Improvement Committee must keep under review in regards to Council operations and this includes at Section 428A(2)(d) financial management.

10 The current Draft Guidelines for Risk Management and Internal Audit Framework issued by the Office of Local Government (specifically Page 79 and 80).

<https://www.olg.nsw.gov.au/wp-content/uploads/2021/08/Draft-Guidelines-for-Risk-Management-and-Internal-Audit-Framework-for-Local-Councils-in-NSW.pdf>

**Financial Considerations**

15 There are no financial considerations related to this report on the assumption that the Audit, Risk and Improvement Committee accepts the financial reporting option outlined in this report as it can be provided within existing resources.



**Report No. 4.4 Internal Audit Plan 2022-2024**

**Directorate:** Corporate and Community Services

**Report Author:** Mila Jones, Governance and Internal Audit Coordinator

**File No:** I2022/823

5 **Summary:**

At the Audit, Risk and Improvement Committee meeting on 19 May 2022, the Committee recommended to Council that a report be provided to the Committee on 18 August 2022 on the Internal Audit Plan for quarters 2, 3 and 4 of 2022-2023 and for all of 2023-2024. It was also recommended that the audit plan for 2022-2023 include a credit/corporate card audit. These Committee recommendations have since been resolved by Council on 23 June 2022 (resolution **22-261**).

This report presents an updated Internal Audit Plan for endorsement by the Committee and recommendation to Council.

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**RECOMMENDATION:**

**That the Audit, Risk and Improvement Committee recommend to Council that the Internal Audit Plan 2022-2024 (E2022/61398) be endorsed.**

20 **Attachments:**

1 Confidential - Updated Internal Audit Plan 2022-2024, E2022/61398

**Report**

5 This report presents an updated Internal Audit Plan for 2022-2024 for endorsement by the Audit, Risk and Improvement Committee (ARIC) and that it be recommended to Council for adoption. It follows the report (4.1) presented to the ARIC on 19 May 2022 and subsequent committee recommendation that a further report be provided to the ARIC on 18 August 2022. The further report was to provide an updated audit plan for quarters 2, 3 and 4 of 2022-2023 and for all of 2023-2024. It was also recommended that the audit plan for 2022-2023 include a credit/corporate card audit. These committee recommendations were resolved by Council on 23 June 2022 (resolution **22-261**).

10 The initial Internal Audit Plan presented to the ARIC on 19 May 2022 was prepared by Grant Thornton and endorsed by the Committee on 19 August 2021 and later endorsed by Council on 23 September 2021. The plan was prepared following meetings between Grant Thornton and members of the Executive Team, key managers, and the Chair of the Committee. This updated plan was also prepared by Grant Thornton and has been  
15 presented to the Executive Team on 20 July 2022.

Should the ARIC endorse the proposed updated plan, it is intended that the following audits be undertaken by Grant Thornton in 2022-2023 and 2023-2024 (as detailed in Attachment 1):

	<b>2022-2023</b>	<b>2023-2024</b>
<b>Q1</b>	Open Spaces (resolved by Council 23/06/2022)	Disaster Recovery Planning
<b>Q2</b>	Plant and Fleet Corporate Cards	Waste Management
<b>Q3</b>	Swimming Pools/Food Safety	WHS
<b>Q4</b>	Property Services	Development Assessments

CCS IS SEE GM CCS/IS

20 **Key issues**

The timing of the proposed internal audits has been informed by operational and strategic priorities, as well as personnel capacity, to ensure that internal audits optimise value for Council.

## Strategic Considerations

### Community Strategic Plan and Operational Plan

<b>CSP Objective</b>	<b>CSP Strategy</b>	<b>DP Action</b>	<b>Code</b>	<b>OP Activity</b>
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.2: Engage and involve community in decision making	1.2.4: Advisory Committees - Coordinate advisory committees to inform decision making on their areas of expertise	1.2.4.2	Coordinate the Audit Risk and Improvement Committee and internal audit program including reporting

### Recent Resolutions

- 22-261 – [Ordinary Meeting 23 June 2022](#)

### 5 Legal/Statutory/Policy Considerations

The performance of the Internal Audit Services is required to be undertaken in accordance with the terms and conditions of Internal Audit Services Contract 2021-0001. These terms and conditions require consideration of the NSW Department of Premier and Cabinet, Office of Local Government, Internal Audit Guidelines and compliance with the associated professional accounting and audit standards.

### Financial Considerations

There has been budget allocated to resource four internal audits per year in accordance with the tender criteria set by Council, and the contractual arrangements accepted by Grant Thornton. Unspent funds from the previous financial year are the subject of a proposed Quarterly Budget Review adjustment which, if approved by Council, will enable a proposed fifth audit in 2022-2023 (Corporate Cards).

### Consultation and Engagement

In preparing the initial Internal Audit Plan Grant Thornton consulted with:

- Council’s Executive Team
- Manager Finance
- Manager Corporate Services

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.4

- Manager People and Culture
- Manager Business Systems and Technology
- Audit, Risk and Improvement Coordinator
- Chair, Audit, Risk and Improvement Committee.

5

In preparing the updated Plan, Grant Thornton consulted with:

- Council's Executive Team
- Acting Manager Corporate Services

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- Governance and Internal Audit Coordinator.

**Report No. 4.5      Delivery Program 6-monthly Report and Operational Plan 2021/22 Quarter 4 Report - to 30 June 2022**

**Directorate:** Corporate and Community Services

5 **Report Author:** Heather Sills, A/ Manager Corporate Services

**File No:** I2022/987

**Summary:**

10 Council's Operational Plan outlines its projects and activities to achieve the commitments in its four-year Delivery Program. In accordance with the *Local Government Act 1993* progress reports must be provided at least every six months.

This report represents the second '6-monthly edition' of the Quarterly Report, providing an additional reporting layer regarding the Council's progress toward the higher-level actions of the Delivery Program.


15 Council achieved 73% of the Operational Plan activities planned to be delivered in 2021/22.

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**RECOMMENDATION:**

20 **That the Audit, Risk, and Improvement Committee notes the Delivery Program 6-monthly Report and 2021/22 Operational Plan Fourth Quarter Report for the period ending 30 June 2022 (Attachment 1 #E2022/67538).**

**Attachments:**

25 1 Delivery Program 6-Monthly Report and Operational Plan Quarterly Report - Q4 - to 30 June 2022, E2022/67538 

## Report

The Delivery Program and Operational Plan are two key corporate documents that establish Council’s goals and priorities for the term and the current financial year.

5 The Delivery Program (4-year) outlines the principal activities to be undertaken to implement the strategies established by the Community Strategic Plan (10-year), within the resources available under the Resourcing Strategy. All plans, projects, activities, and funding allocations must be directly linked to this program.

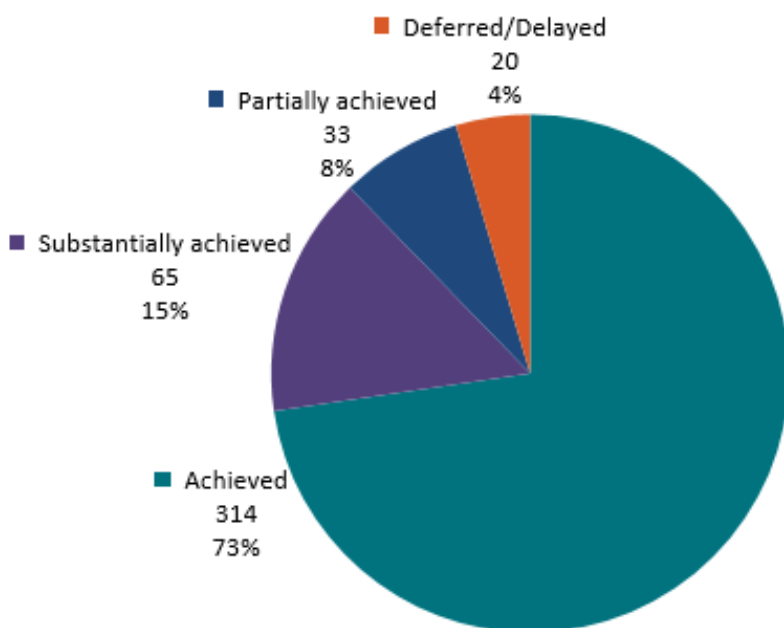
10 The Delivery Program is supported by the annual Operational Plan, which identifies the individual projects and activities that will be undertaken for the year to achieve the commitments made in the Delivery Program.

The General Manager is required to provide six monthly progress reports to the Council on the progress toward the delivery program, in accordance with the *Local Government Act 1993* s404 which states:

15 *“The general manager must ensure that regular progress reports are provided to the council reporting as to its **progress with respect to the principal activities detailed in its delivery program**. Progress reports must be provided at least **every 6 months**”*

20 While the requirement is six monthly reporting, the Council is provided with a Quarterly Report on the activities in the Operational Plan, to promote effective and efficient reporting and decision making.

### 2021/22 Operational Plan Activities



As this is the last quarter report for the 2020/21 financial year, this report details Council’s achievement of the activities in the 2020/21 Operational Plan. Overall, Council achieved 73% of planned activities against the measures in the plan. This compares to 80% during 2020/21.

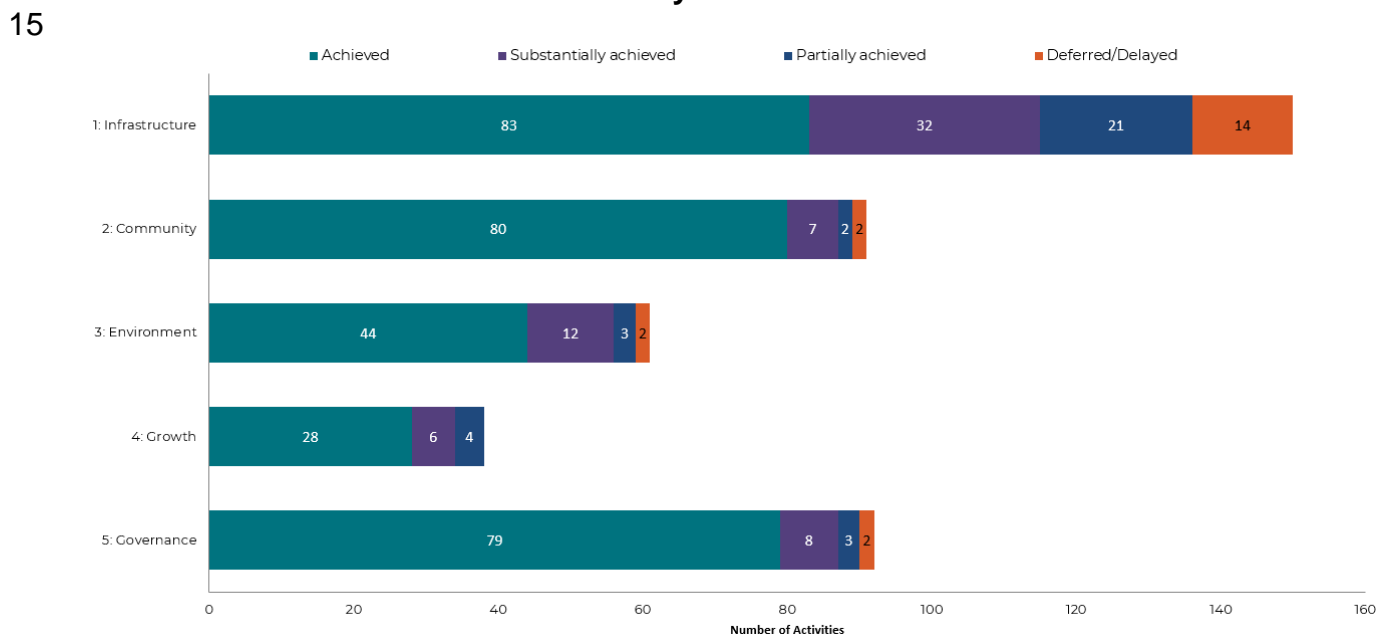
15% of activities were substantially achieved, meaning they were significantly progressed but not finalised, while 8% were partially achieved, and 4% deferred. Details on the reason for the status of each activity are outlined in the attachment.

**Strategic Objectives**

The report (#E2021/97874) is structured by the five ‘Our Byron, Our Future’ Community Strategic Plan 2028 objectives:

- 5 • Community Objective 1: We have **infrastructure**, transport and services which meet our expectations
- Community Objective 2: We cultivate and celebrate our diverse cultures, lifestyle and sense of **community**
- Community Objective 3: We protect and enhance our natural **environment**
- 10 • Community Objective 4: We manage **growth** and change responsibly
- Community Objective 5: We have community led decision making which is open and inclusive (**governance**)

**Result by CSP Theme**



**Report Details**

20 The report details Council's achievement of the activities in the 2021/22 Operational Plan. It includes a status update on progress and notes any highlights or exceptions where actions were delayed or reprioritised.

Each section notes the progress against the activities including:

- Activity
- Responsible directorate
- Measure
- 25 • Timeframe
- Comments
- Status

## Summary of Achievements

5 Council achieved 73% of its actions during this period. Some activities were not fully achieved and/or deferred as a direct result of COVID-19 and the February/March 2022 flood events. Further detail on individual activities and their impact is provided in detail in the report.

### Key achievements include:

#### *Infrastructure*

- Stuart Street upgraded
- Middle Pocket Road improvements completed
- 10 • 24+ streets upgraded under the Fixing Local Roads - Ocean Shores Resurfacing project
- Grays Lane upgrade completed
- Successful speed radar sign trial
- 15 • Completed detailed laser assessment of the condition of all sealed roads which provided crucial data for a predictive computer modelling
- Completed new fully accessible toilet at Gaggin Park, Suffolk Park, with accessible pathway and new disabled parking
- New accessible pathway installed at Bangalow Parklands
- Tennyson Street shared path upgrade works completed
- 20 • Byron Bay Library ceiling replacement works were completed
- Council has resolved (21-188) to implement a master plan for Lot 12 Bayshore Drive Byron Bay and also moved to provide a long term lease site on the property to TAFE NSW
- Completed construction of the Byron Rail Precinct projects
- 25 • New public toilets provided at Middleton Street, Byron Bay, Clarkes Beach and Gaggin Park, Suffolk Park
- Capital renewal works completed to the Cavanbah Centre, Byron Stationmasters Cottage, Mullum War Widow's Cottage, Council Chambers, Suffolk Park Holiday Park, Brunswick Memorial Hall, Bangalow Showgrounds Rotunda, and First Sun
- 30 Holiday Park.



## BYRON SHIRE COUNCIL

### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.5

- Butt Free Byron Shire, Byron Loves BYO campaign promoted reuse over waste generation, working with Circular Cafes to support hospitality businesses to recycle organic waste, implement reuse programs and decrease waste to landfill
- Compliance with all NSW Environmental Protection Licences
- 5 • Upgrade to Butler Street Sewer Pump Station SPS3003 rising main
- Byron Bay, Brunswick Heads, and Ocean Shores sewerage pump station renewals
- Works on the Byron Bypass cross connection completed
- Online Digital Asset Management Plans built
- Ocean Shores water pipeline renewal completed in Casons Lane, New Brighton
- 10 • Engaged the Water Sensitive Cities Institute to assist with the review of the Effluent Reuse management plan strategy

#### ***Community***

- 15 • The Global Beats Harmony Festival was held in March 2022 in collaboration with people from culturally and linguistically diverse backgrounds
- Virtual Australia Day Awards recognised the contribution of community members
- The Lone Goat Gallery reopened in January 2022 with the highly successful and well-attended "Beach Dogs of Byron Bay", a posthumous exhibition commemorating the life and contribution of award-winning local photographer Rob Scott-Mitchell
- 20 • Worked with Arakwal Corporation and Tweed Byron Local Aboriginal Land Council to incorporate cultural designs into the Skate Park wetlands boardwalk at the Sandhills Estate, celebrating the cultural and environmental significance of the land
- Supported Byron Multicultural with a whole-of-community survey to gather insights and opinions from people from culturally diverse backgrounds
- 25 • 285 people were conferred as new Australian Citizens at 5 Citizenship Ceremonies
- Arakwal artists, Nickolla and Kaitlyn Clark, created artworks that depict sacred stories of local forest and coastal middens on pavements around the intersection of Burringbar Street and Stuart Street, as part of the Talking Street project
- 30 • Convened the Byron Shire Coordination group, who are working to improve outcomes for people sleeping rough; the services support up to 28 people per month and last year 17 people exited homelessness into housing.

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.5

- In partnership with Resilience NSW, opened the Recovery Centre in Mullumbimby to provide face-to-face support and outreach to impacted communities and residents affected by the flood
- 5 • Disability Inclusion Action Plan (DIAP) 2022-2026 was developed in collaboration with the Access Consultative Working Group (ACWG) and in consultation with people with disability, people with mental health conditions, carers, friends and families, disability services providers and community organisations
- 10 • Partnered with the Byron Bay Community Association (BBCA) to open the Fletcher Street Cottage which provides support, information, referral and advocacy to people experiencing or at risk of homelessness in a safe, welcoming space
- Delivered high quality business and educational outcomes for Children's Services
- Partnered with Social Habitat to develop a concept design for a proposed upgrade to Brunswick Heads library
- 15 • Evans Street play unit was significantly refurbished and renewal of play items completed at Jacaranda playground
- Engaged the Australian Red Cross (ARC) to deliver 14 Strengthening Communities workshops and 15 Street Meets to create stronger networks, deepen local understanding of each community's strengths and vulnerabilities and support community resilience.
- 20 • Fifteen Community Resilience Teams (CRT) created across the Byron Shire
- Get Ready Business Resilience workshops conducted on 5 and 12 October 2021.
- Mental health and natural disaster recovery for business owners workshop conducted on 17 May 2022
- 25 • Partnered with NSW Police and Experience Rova to deliver Soul Street NYE, a family-friendly event utilising place activation strategies through art, food, play, music and performance activities to increase community safety

### ***Environment***

- Approximately 800m of the Brunswick riverbank and Flying-fox habitat has been restored through the NSW Environmental Trust Flying Improvement project.
- 30 • Over 6ha of koala habitat on private land has been restored and in partnership with DPE approx.
- 3,000 koala food trees have been provided to landholders
- Shire wide draft wildlife corridor mapping has been prepared

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.5

- Partnered with Brunswick Valley Landcare (BVL) to deliver Slips Slopes and Slides workshop restoring landslips and riverbank erosion, and to launch Climate Resilient Landscapes Guide
- 5 • Chemical free steam weeding programs have successfully been maintained across the shire's playgrounds and town centers
- Delivered the 'Drought Pests and Weeds' project
- Carramar Reserve in Ocean Shores received significant fuel/weed reduction through the bush regeneration program
- 10 • Proactive approach taken to seek out and eradicate small outbreaks of Bitou Bush from the Byron containment zone
- Annual Emissions Inventory reported to Council along with an update on actions achieved under the Net Zero Emissions Action Plan for Council Operations 2025
- Climate Change Adaptation Plan prepared and implementation has commenced
- Continued to showcase public food garden outside Council Chambers
- 15 • Partnered with Tweed Council to run the 29th Annual NSW Coastal Conference - 'Living with Uncertainty' 31st May - 2nd June 2022
- Various community education, engagement activities and information communication pieces were developed to increase awareness and understanding about the Shire's coastal biodiversity and values
- 20 • Construction of additional flowpath from Byron Sewerage Treatment Plant
- Four workshops have been delivered in partnership with Brunswick Valley Landcare including farm planning and soils workshops
- Farmer regenerative agriculture mentoring program in progress, in partnership with Southern Cross University
- 25 **Growth**
- Finalised the Byron Arts and Industry Estate Precinct Plan
- Mullumbimby Talking Streets Project
- Updated the Bangalow Development Control Plan
- Introduction of the Planning Portal
- 30 • Gateway determination received to enable exhibition of Short Term Rental Accommodation planning controls for a 90 day cap and up to 365 days in select locations of the Shire

# BYRON SHIRE COUNCIL

## STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

4.5

- Workshops delivered including Mental Health and Natural Disaster Recovery with flood impacted businesses and Grow Your Business Online and student based apprenticeship and traineeship information evening in partnership with NSW Department of Education and Mullumbimby High School
- 5 • 200 responses to the Business Impacts, Resilience and Continuity Survey
- Following the floods, Council played a key role in managing local recovery, providing services and assistance to the community and the ongoing coordinated process of supporting affected communities in the reconstruction of the built environment and the restoration of emotional, social, economic, built and natural environment wellbeing
- 10 • As part of the Bushfire Recovery funding, Council partnered with Banaam to deliver seven Aboriginal Custodianship workshops which included Rural Fire Service, NSW Fire and Rescue, Red Cross, Marine Rescue, NSW Police, local neighbourhood centres, Council staff, and the Aboriginal community
- 15 **Governance**
- A new corporate style guide was completed and is being rolled out
- The Community Roundtable continued to be an excellent way for Council to talk directly with our volunteer community groups on a wide range of issues
- 20 • Frequent 'Flood Recovery Updates' to keep the community informed about the Council's flood recovery activities and associated information
- A substantial increase in followers on social media and use of the website by members of the public during critical points of the COVID pandemic and the flood emergency
- 25 • Partnered with the University of New South Wales (UNSW) to develop a whole-of-council outcomes measurement framework to support Council to assess its performance and track community changes over time
- Funded nine applications, with a total value of \$44,200, through the Community Initiatives 2021-2022 funding round
- 30 • Comprehensive formal induction provided to new term of Council following the 2021 Local Government Election
- Prepared a number of infrastructure and asset management videos that have been posted to the web site and positively received by the community
- 35 • Adoption of the Integrated Planning and Reporting Framework, including the revised Byron Shire Community Strategic Plan 2032, Resourcing Strategy, Delivery Program 2022-26 and associated plans.
- Renewable Energy Supply Agreement was entered into on 1 January 2022

## Strategic Considerations

### Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action
<b>1: Effective Leadership</b> We have effective decision making and community leadership that is open and informed	1.1: Enhance trust and accountability through open and transparent leadership	1.1.2: Governance - Ensure legislative compliance and support Councillors to carry out their civic duties

### Legal/Statutory/Policy Considerations

5 The General Manager is required under Section 404 (5) of the *Local Government Act 1993* to provide regular progress reports as to the Council’s progress with respect to the principal activities detailed in the Delivery Program/Operational Plan.

10 *“The general manager must ensure that regular progress reports are provided to the council reporting as to its **progress with respect to the principal activities detailed in its delivery program**. Progress reports must be provided at least **every 6 months**”*

### Financial Considerations

Council’s financial performance for the reporting period is addressed in the Quarterly Budget Review, which is the subject of a separate report included in this business paper.

### Consultation and Engagement

15 The development of the Delivery Program was informed by extensive engagement around the Community Strategic Plan and specifically a Community Solutions Panel on infrastructure priorities.

20 The progress reports on the Operational Plan and Delivery Program are published on Council’s website as a way of ensuring transparency around how Council is progressing activities and actions.

**Report No. 5.1      CONFIDENTIAL - Quarter 4 2021-22 Risk Report**

**Directorate:** Corporate and Community Services

5 **Report Author:** Amber Watt, Strategic Risk Coordinator

**File No:** I2022/732

**Summary:**

10 This report presents an update on Council's risk register for the quarter ending 30 June 2022 and improvements planned or underway in risk management.

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**RECOMMENDATION:**

- 15 1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report Quarter 4 2021-22 Risk Report.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
- 20 a) details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property
3. That on balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as:

**Risk Management**

25 **Attachments:**

- 1 Strategic and Operational Risk Register Reports Q4 2021-22, E2022/63424

30

**Report No. 5.2      CONFIDENTIAL - Internal Audit Report - 2021-2022 Quarter 4 (and 2021-2022 Quarter 1 report deferred from the ARIC meeting of 19 May 2022)**

5    **Directorate:**                      Corporate and Community Services

**Report Author:**                Mila Jones, Governance and Internal Audit Coordinator

**File No:**                            I2022/826

**Summary:**

10    This report presents the Internal Audit Recommendations Summary Report for Quarter 4 prepared by the Internal Auditor, Grant Thornton (GT). The GT report is at Confidential Attachment 1 (E2022/63964) and the full internal audit status report prepared by Council is at Attachment 2 (E2022/62825). This status report contains the remaining

15    recommendations from each audit review conducted by Council’s previous internal audit provider.

      This report also contains the Internal Audit of Payroll – Data Analytics (May and June 2022). The report is at Confidential Attachment 3 (E2022/69122). The overall finding was there were no significant issues identified.

20    Further, as the report titled “*Quarter 1 – 2021-22 Internal Audit Report*” was not dealt with at the Audit, Risk and Improvement Committee Meeting held in May, the information contained in that report is reproduced in this report. Although it includes historical information there are actions that are required to be reviewed by the Committee.

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25    **RECOMMENDATION:**

1.    **That pursuant to Section 10A(2)(d)i of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report Internal Audit Report - 2021-2022 Quarter 4.**
  2.    **That the reasons for closing the meeting to the public to consider this item be that the report contains:**
    - a)    **commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it**
- 30

# BYRON SHIRE COUNCIL

## CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

5.2

3. That on balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as:

**nature and content of internal audit report is for operational purposes**

5 **Attachments:**

- 1 Confidential - Internal Audit Status Report - Q1 2021-22, E2021/123033
- 2 Confidential - Grant Thornton Q4 Internal Audit Status Report, E2022/63964
- 3 Confidential - Internal Audit Status Report Q4 2021-22, E2022/62825
- 10 4 Confidential - Internal Audit Report: Payroll - Data Analytics, E2022/69122



**Report No. 5.3      CONFIDENTIAL - Social Engineering Incident - Reporting of Independent Investigation**

**Directorate:** Corporate and Community Services

**Report Author:** James Brickley, Manager Finance

5 **File No:** I2022/506

**Summary:**

10 This report is provided to the Audit, Risk and Improvement Committee to advise of an incident in late 2021 that has left Council financially exposed, the independent investigation into this incident, the findings and recommendations subsequently provided to management, and management's response. This is also an opportunity for the Audit, Risk and Improvement Committee to suggest alternate or other recommendations following consideration of this report.

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**RECOMMENDATION:**

1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report Social Engineering Event - Reporting of Independent Investigation.
- 20 2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
  - a) details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property
- 25 3. That on balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as:

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**Independent investigation outcome recommends improvements to internal processes that should not be publicly available to protect Council's assets.**

**Report No. 5.4      CONFIDENTIAL - Cyber Security and IT System Outages Quarlerly Update**

**Directorate:** Corporate and Community Services

**Report Author:** Colin Baker, Manager Business Systems and Technology

5 **File No:** I2022/904

**Summary:**

This report provides a summary of cyber security activities and IT service outages during the reporting period from 1 April 2022 to 30 June 2022.

10 Cyber security improvement work for the corporate IT environment is ongoing. Application Whitelisting is the number one mitigation strategy in the federal government’s “Essential 8” security framework. Council has now completed implementation of this strategy.

15 An internal cyber security review of the Water and Utilities IT environment was completed. The review confirmed an urgent need for improvement in all aspects of the “Essential 8” security framework. Planning is now underway to deliver cyber security improvements as an urgent priority.

45 cyber security events were recorded, none resulting in data loss or compromise of data integrity.

No significant IT outages occurred during the reporting period.

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**RECOMMENDATION:**

25 1. **That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report Cyber Security and IT System Outages Quarlerly Update.**

2. **That the reasons for closing the meeting to the public to consider this item be that the report contains:**

a) **details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property**

30 3. **That on balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as:**

## BYRON SHIRE COUNCIL

### CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

5.4

**Exposes informaton security risks and vulnerabilities that could assist unauthorised threats to Council's information and systems.**

#### **Attachments:**

5

- 1 SCADA Cyber Review Report July 2022, E2022/54533

**Report No. 5.5      CONFIDENTIAL - External Audit Actions Quarter  
4 2021-2022 Update**

**Directorate:** Corporate and Community Services

**Report Author:** James Brickley, Manager Finance

5 **File No:** I2022/1001

**Summary:**

10 This report provides an update on external audit matters raised in the 2021 External Audit Year End Management Letter, and items from prior years' external audit management letters still outstanding as referenced in the 2021 External Audit Year End Management Letter. Council has not been issued with a 2022 External Audit Interim Audit Management Letter at this stage.

15 There are currently eight outstanding items with one item proposed to be closed. There has been little opportunity to work on these items given the impact of the February/March 2022 flood event and subsequent recovery in addition to other projects.

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**RECOMMENDATION:**

- 20 1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report External Audit Actions Quarter 4 2021-2022 Update.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
- 25 a) details of systems and/or arrangements that have been implemented to protect council, councillors, staff and Council property
3. That on balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as:

**Nature and content of audit reports is for operational purposes and report details information about Council systems, controls and processes.**

30 **Attachments:**

- 1 Confidential - External Audit Activity Report Quarter 4 2021-2022 reported to ARIC 18 August 2022, E2022/76444