

**MINUTES OF MEETING**



**AUDIT, RISK AND IMPROVEMENT  
COMMITTEE MEETING**

<b>Venue</b>	<b>Conference Room, Station Street, Mullumbimby</b>
<b>Date</b>	<b>Thursday, 17 May 2018</b>
<b>Time</b>	<b>11.30am</b>

# BYRON SHIRE COUNCIL

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

17 MAY 2018

## Minutes of the Audit, Risk and Improvement Committee Meeting held on Thursday, 17 May 2018

File No: I2018/875

PRESENT: Cr B Cameron, Cr A Hunter

Staff: Mark Arnold (Acting General Manager)  
James Brickley (Acting Director Corporate and Community Services)  
Phil Holloway (Director Infrastructure Services)  
Shannon McKelvey (Executive Manager Organisational Development) - items 4.1 and 4.2 only.  
Anna Vinfield (Manager Corporate Services)  
Ralph James (Legal Counsel) - items 5.2 and 5.3 only.  
Jess Orr (Strategic Risk and Improvement Coordinator)  
David Royston-Jennings (Corporate Governance Officer)

Community: Michael Georghiou (Chairperson), Rae Wills

Auditors: Cathy Blunt (OCM), Kevin Franey (TNR) – via teleconference, item 5.1 only, Gearoid Fitzgerald (Audit Office of NSW) – via teleconference, item 5.1 only.

*Mr Georghiou (Chair) opened the meeting at 11.40am.*

### APOLOGIES:

There were apologies from Cr S Richardson, Brian Wilkinson and Pamela Robertson-Gregg (OCM).

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

There were no declarations of interest.

### ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

#### **Committee Recommendation:**

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 15 February 2018 be confirmed. (Georghiou/Cameron)

*The recommendation was put to the vote and declared carried.*

*Note: The minutes of the meeting held on 15 February 2018 were noted, and the Committee Recommendations adopted by Council, at the Ordinary Meeting held on 22 March 2018.*

### BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from previous minutes.

**STAFF REPORTS - GENERAL MANAGER**

**Report No. 4.1**            **Local Government Performance Excellence Program - Byron Shire Council 2017 Performance Results**  
**File No:**                    I2018/655

**Committee Recommendation:**

That the Internal Audit, Risk and Improvement Committee note the Byron Shire Council LG Performance Excellence Program FY17 Report and that future reports be presented to the Committee. (Georghiou/Wills)

*The recommendation was put to the vote and declared carried.*

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**STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES**

**Report No. 4.2**            **NSW Audit Office - Local Government 2017 Financial Audit Report**  
**File No:**                    I2018/866

**Committee Recommendation:**

That the Audit, Risk and Improvement Committee note the contents and recommendations made in the Local Government 2017 Financial Audit from the NSW Audit Office at Attachment 1 (#E2018/35811). (Georghiou/Hunter)

*The recommendation was put to the vote and declared carried.*

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**PROCEDURAL MOTION**

**Committee Recommendation:**

1. That pursuant to Sections 10A(2)(d)i and 10A(2)(f) of the Local Government Act, 1993, Council resolve into Confidential Session to discuss the following reports, namely
  - 4.3 Internal Activity & Progress Report - May 2018
  - 5.1 2017/2018 External Audit Client Service Plan
  - 5.2 Risk Management Framework & Business Continuity Update
  - 5.3 Fraud and Corruption Control Audit Review Report
  
2. That the reasons for closing the meeting to the public to consider these items be that they contain:
  - commercial information of a confidential nature that would, if disclosed, prejudice the commercial position of the person who supplied it; and,
  - matters affecting the security of the council, councillors, council staff or council property.
  
3. That on balance it is considered that receipt and discussion of these matters in open Committee would be contrary to the public interest, as disclosure of the confidential information could compromise the commercial position of the person who supplied it, or affect the security of the council, councillors, council staff or council property. (Georghiou/Cameron)

# BYRON SHIRE COUNCIL

*The recommendation was put to the vote and declared carried.*

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**Report No. 4.3**                      **Internal Activity & Progress Report - May 2018**  
**File No:**                              I2018/862

**Committee Recommendation:**

1. That the Audit, Risk and Improvement Advisory Committee note the Internal Audit Activity Report – May 2018 (#E2018/39734).
2. That the Audit, Risk and Improvement Advisory Committee endorse the recommendation to vary the audit program and replace the planned IT User Access Review in Quarter 4 of 2017/2018 year with an audit review of Council's current systems and processes to ensure/test compliance with Council's six Environment Protection Licences in the Sewerage, Landfill and Quarry operations.
3. That the IT User Access review be completed no later than Quarter 2 of 2018/2019 financial year. (Georghiou/Cameron)

*The recommendation was put to the vote and declared carried.*

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## CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 5.1**                      **CONFIDENTIAL - 2017/2018 External Audit Client Service Plan**  
**File No:**                              I2018/810

**Committee Recommendation:**

1. That Council note the External Audit Client Service Plan prepared by the Audit Office of New South Wales for the year ended 30 June 2018 as outlined in Attachment 1 (#E2018/36320).
2. That the report and Attachment 1 of the closed part of the meeting remain confidential. (Georghiou/Cameron)

*The recommendation was put to the vote and declared carried.*

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**Report No. 5.2**                      **CONFIDENTIAL - Risk Management Framework & Business Continuity Update**  
**File No:**                              I2018/683

**Committee Recommendation:**

That the Internal Audit, Risk and Improvement Committee note ongoing work undertaken in improving Council's risk management approach and business continuity and disaster recovery efforts across the organisation. (Georghiou/Hunter)

*The recommendation was put to the vote and declared carried.*

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**Report No. 5.3**  
**File No:**

**CONFIDENTIAL - Fraud and Corruption Control Audit Review Report**  
I2018/654

**Committee Recommendation:**

1. That the Audit, Risk and Improvement Committee note the Fraud and Corruption Controls internal audit review report.
2. That the Audit, Risk and Improvement Committee request that management implement the recommendations made in the report identified as Attachment 1 (#E2018/39530), subject to the revaluation of the rating of detailed finding 2.3 – Fraud and Corruption Policy/Framework from Medium to High.
3. That the report and Attachment 1 of the closed part of the meeting remain confidential.
4. That an update on fraud and corruption controls be presented at future meetings.

(Georghiou/Hunter)

*The recommendation was put to the vote and declared carried.*

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*There being no further business the meeting concluded at 1.53pm.*

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