

**BYRON SHIRE COUNCIL**

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES 18 FEBRUARY 2021

**MINUTES OF MEETING**



**AUDIT, RISK AND IMPROVEMENT  
COMMITTEE MEETING**

<b>Venue</b>	<b>Conference Room, Station Street, Mullumbimby</b>
<b>Date</b>	<b>Thursday, 18 February 2021</b>
<b>Time</b>	<b>11.30am</b>

*I2021/243  
Distributed 11/02/21*

# BYRON SHIRE COUNCIL

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES 18 FEBRUARY 2021

## **Minutes of the Audit, Risk and Improvement Committee Meeting held on Thursday, 18 February 2021**

**File No:** I2021/243

**PRESENT:** Cr M Lyon and Cr A Hunter

Staff: Mark Arnold (General Manager)

Vanessa Adams (Director Corporate and Community Services)

Esmeralda Davis (Acting Manager Corporate Services)  
James Brickley (Manager Finance)

Emma Fountain (Strategic Risk and Business Continuity Coordinator)

Phil Warner (Manager Assets and Major Projects)

Community: Michael Georghiou (Chairperson), Brian Wilkinson, Rae Wills

External Auditors: Adam Bradfield (Thomas Noble Rusell), Les Proud  
(Thomas Noble Rusell) , Gerald Fitzgerald (Audit Office of NSW)

Internal Auditors: Judy Malpas and Pamela Robertson-Gregg, (O'Connor Marsden and Associates)

Michael Georghiou (*Chair*) opened the meeting at 11:35 and acknowledged that the meeting was being held on Bundjalung Country.

### **APOLOGIES:**

Cr B Cameron

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

There were no declarations of interest.

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### **ADOPTION OF MINUTES FROM PREVIOUS MEETINGS**

**Report No. 3.1      Adoption of Minutes from Audit, Risk and Improvement  
Committee Meeting 12 November 2020**

**File No:** I2021/121

### **Committee Recommendation:**

**That the minutes of the Audit, Risk and Improvement Committee Meeting held on 12 November 2020 be confirmed.**

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(Georghiou/Wilkinson)

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

*Note: The minutes of the meeting held on 12 November 2020 were noted, and the Committee Recommendations adopted by Council, at the Ordinary Meeting held on 17 December 2020.*

### BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from previous minutes.

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### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 4.1**      **Delivery Program 6-monthly Report and 2020/21 Operational Plan Report - Q2 - December 2020**

**File No:**            I2021/187

#### **Committee Recommendation:**

That the Audit, Risk, and Improvement Committee notes the Delivery Program 6-monthly Report and 2020/21 Operational Plan Quarter 2 Report for the period ending 31 December 2020 (#E2021/4352).

(Georghiou/Wilkinson)

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

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### CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

#### **Committee Recommendation:**

That pursuant to the Local Government Act, 1993, Council resolve into Confidential Session to discuss reports 5.1, 5.2, 5.3, 5.4, 5.5 and 5.6 for the following reasons:

Report 5.1 under Section 10A(2)(d)i of the Local Government Act:

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

- d) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it

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and 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.

#### Report 5.2 under Section 10A(2)(f) of the Local Government Act

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

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

and balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as: Exposes security risk and vulnerabilities that could assist unauthorised threats to Council's data and systems.

#### Report 5.3 under Section 10A(2)(f) of the Local Government Act

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

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

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

#### Report 5.4 under Section 10A(2)(f) of the Local Government Act

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

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

and balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as: The report contains details of systems and/or arrangements that have been implemented to protect Council, Councillors, Staff and Council property.

#### Report 5.5 under Section 10A(2)(f) of the Local Government Act

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

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

and balance it is considered that receipt and discussion of the matter in open Council would be contrary to the public interest, as: The report contains details of systems and/or arrangements that have been implemented to protect Council, Councillors, Staff and Council property.

#### Report 5.6 under Section 10A(2)(f) of the Local Government Act

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

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

and 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.

(Georghiou/Lyon)

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

**Report No. 5.1      CONFIDENTIAL - Internal Audit Report - February 2021**  
**File No:              I2021/122**

#### **Committee Recommendation:**

That the Audit, Risk and Improvement Committee:

1. Notes the Internal Audit Status Report – February 2021 (E2021/29435)
2. Endorses the recommendations from the Executive Team to close off 5 recommendations in Appendix A of the Internal Audit Status Report (E2021/29435)
3. Requests management to implement the recommendations made in the Internal Audit of Asset Management – January 2021 (E2021/9941)

(Georghiou/Wilkinson)

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

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**Report No. 5.2      CONFIDENTIAL - Cyber Security and System Outages Quarterly Update**  
**File No:              I2021/131**

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### **Committee Recommendation:**

RECOMMENDATION:

That the Audit, Risk and Improvement Committee:

1. Notes the attached security and incident reports;
  - a) Security Intrusion Detection Report. Attachment 1 (E2021/17718); and,
  - b) Incident Outages Report. Attachment 2 (E2021/17715); and,
  - c) Security Incident Report. Attachment 3 (E2021/17716); and,
2. Receives ongoing status reports for cyber incidents and systems outages.

(Georghiou/Wilkinson)

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

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**Report No. 5.3**      **CONFIDENTIAL - Risk Management Update**  
**File No:**            I2021/163

### **Committee Recommendation:**

That the Audit, Risk and Improvement Committee notes the strategic and operational risk reports for the quarter ending 31 December 2020 (E2021/18481).

(Georghiou/Hunter)

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

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**Report No. 5.4**      **CONFIDENTIAL - 2020 Year End Audit Management Letter**  
**File No:**            I2021/205

### **Committee Recommendation:**

That the comments provided by Management in response to issues raised in the 2020 Year End Audit Management Letter (#E2021/30330) be noted by Council and the Audit, Risk and Improvement Committee.

(Georghiou/Wilkinson)

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

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**Report No. 5.5**      **CONFIDENTIAL - 2020-2021 External Audit Engagement Plan**  
**File No:**            I2021/206

### **Committee Recommendation:**

That Council notes the External Audit Engagement Plan prepared by the Audit Office of New South Wales for the year ended 30 June 2021 as outlined in Confidential Attachment 1 (#E2021/31603).

(Georghiou/Hunter)

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

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**Report No. 5.6**      **CONFIDENTIAL - External Audit Actions Quarter 2 2020-2021**  
**Update**  
**File No:**            I2021/217

### **Committee Recommendation:**

That the Audit, Risk and Improvement Committee notes the external audit activity update for the quarter ending 31 December 2020 as outlined in Confidential Attachment 1 (#E2021/31417).

(Georghiou/Wilkinson)

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

### **PROCEDURAL MOTION**

### **Committee Recommendation:**

That the meeting move out of confidential session.

(Georghiou/Wilkinson)

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

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*There being no further business the meeting concluded at 12:40 pm.*