

Minutes of Meeting

Audit, Risk and Improvement Committee Meeting

Venue	Conference Room, Station Street, Mullumbimby
Date	Monday, 25 November 2024
Time	1.30PM



BYRON
SHIRE
COUNCIL

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AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

25 NOVEMBER 2024

Minutes of the Audit, Risk and Improvement Committee Meeting held on Monday, 25 November 2024

File No: I2024/1543

PRESENT:

Councillors:	Cr E Hauge	Apology
Independent Members:	Peter Sheville (Chairperson)	Present
	Melissa Jacobs	Present
	Alan Pigott	Present
Staff:	Mark Arnold (General Manager)	Present
	Esmeralda Davis (Director Corporate & Community Services)	Present
	Phil Holloway (Director Infrastructure Services)	Present
	Shannon Burt (Director Sustainable Environment & Economy)	Apology
	Heather Sills (Manager Corporate Services)	Present
	James Brickley (Manager Finance)	Present
	Colin Baker (Manager Business Systems and Technology)	Present
	Amber Watt (Strategic Risk Coordinator)	Apology
	Storm Townsend (Minute Taker)	Present
Other Attendees:	Adam Bradfield (HLB Mann Judd)	Absent
	Eleanor McLeod (HLB Mann Judd)	Absent
	Gearoid Fitzgerald (NSW Audit Office)	Apology
	Penelope Corkill (Centium)	Audio-visual
	Susan Leahy (Centium)	Audio-visual

Staff acknowledged that the meeting was being held on Bundjalung Country.

Peter Sheville (Chair) opened the meeting at 1:46pm.

ATTENDANCE VIA AUDIO-VISUAL LINK:

Penelope Corkill and Susan Leahy attended via audio visual link.

APOLOGIES:

Apologies were received from Cr Hauge, Shannon Burt, Amber Watt and Gearoid Fitzgerald.

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DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

There were no declarations of interest.

Note: The minutes of the meeting held on 9 May 2024 were noted, and the Committee Recommendations adopted by Council, at the Ordinary Meeting held on 27 June 2024.

BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from previous minutes.

Penelope Corkill joined the meeting at 1:51pm.

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 3.1 **Draft Audit, Risk and Improvement Terms of Reference and 2025 Agenda Schedule**
File No: I2024/1329

Committee Recommendation:

That the Audit, Risk and Improvement Committee:

- 1. Reaffirms the Audit, Risk and Improvement Committee Terms of Reference (Attachment 1 E2024/20686) and recommends to Council that they be adopted.**
- 2. Considers and endorses the Agenda Schedule for 2025 (Attachment 2 E2024/120676) and include:**
 - a) Meeting times to commence at 9:30am on the dates specified for three hour duration.** (Jacobs/Pigott)

The recommendation was put to the vote and declared carried.

Report No. 3.2 **2023/2024 Financial Statements and External Audit Closing Report**
File No: I2024/1520

Committee Recommendation:

- 1. That the Audit, Risk and Improvement Committee notes the External Audit Engagement Closing Report for the year ended 30 June 2024 provided by the Audit Office of NSW provided at Attachment 1 (#E2024/131009) and 2023-2024 Financial Statements provided at Attachment 2 (#E2024/131187).**
- 2. In relation to the timeliness of and quality of Financial Reports the Committee does not propose any changes.** (Jacobs/Pigott)

The recommendation was put to the vote and declared carried.

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Report No. 3.3 Draft Internal Audit Charter
File No: I2024/18

Committee Recommendation:

That the Audit, Risk and Improvement Committee

1. Endorses the draft Internal Audit Charter (Attachment 1 E2023/128072) for adoption by Council, to include the following amendment:
 - a) Update the references to International Standards for the Professional Practice of Internal Auditing to Global Internal Audit Standards in preparation of the change on 9 January 2025. (Pigott/Jacobs)

The recommendation was put to the vote and declared carried.

CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

PROCEDURAL MOTION

Committee Recommendation:

1. That pursuant to Sections 10A(2)(d)i and 10A(2)(f) of the Local Government Act, 1993, the Audit, Risk and Improvement Committee moves into Confidential Session to discuss the following Reports:
 - a) Internal Audit Plan 2024-2028;
 - b) Internal Audit Report Quarter 4 2023-2024 and Q1 2024-2025;
 - c) Cyber Security and System Outages Quarterly Update; and
 - d) Risk Profile and Update.
2. That the reasons for closing the meeting to the public to consider these items are that the report contain:
 - a) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it; or
 - b) 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 the matters in open Committee would be contrary to the public interest, as the nature and content of the Reports, respectively, are:
 - a) intended for operational purposes and to manage risk;
 - b) for operational purposes;
 - c) Exposes information security risks and vulnerabilities that could assist unauthorised threats to Council's information and systems; and
 - d) it relates to the internal management of risk within Council. (Sheville)

The recommendation was put to the vote and declared carried.

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Report No. 4.1 CONFIDENTIAL - Internal Audit Plan 2024-2028

File No: I2024/1336

Committee Recommendation:

That the Audit, Risk and Improvement Committee endorses the Internal Audit Plan 2024-2028 (Attachment 1 E2024/103385) and recommends the Plan to Council for endorsement. (Sheville/Jacobs)

The recommendation was put to the vote and declared carried.

Report No. 4.2 CONFIDENTIAL - Internal Audit Report Quarter 4 2023-2024 and Q1 2024-2025

File No: I2024/1263

Committee Recommendation:

That the Audit, Risk and Improvement Committee:

- 1. Notes the status of audit recommendations for Quarter 4 2023-2024 at Attachment 1 (E2024/78518) and for Quarter 1 2024-2025 at Attachment 2 (E2024/125859).**
- 2. Recommends that Council endorses the recommendations from the Executive Team to close off 34 internal audit recommendations from Quarters 4 and 1 as listed in Table 1 of this report (a summary from Attachments 1 and 2).** (Pigott/Jacobs)

The recommendation was put to the vote and declared carried.

Penelope Corkill left the meeting at 2:42pm and did not return.

FOR INFORMATION ONLY

Report No. 6.1 CONFIDENTIAL - Cyber Security and System Outages Quarterly Update

File No: I2024/1487

Report No. 6.2 CONFIDENTIAL - Risk Profile and Update

File No: I2024/1501

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PROCEDURAL MOTION

Committee Recommendation that the meeting move out of confidential session.

(Sheville)

The recommendation was put to the vote and declared carried.

The meeting adjourned at 3:00pm for a short break and reconvened at 3:15pm.

Report No. 6.3 Annual Report 2023/24 and State of Our Shire Report 2024
File No: I2024/1530

Report No. 6.4 Operational Plan 2024/25 Quarter 1 Report - to 1 July to 30
September 2024
File No: I2024/1507

Report No. 6.5 Business Continuity Plan
File No: I2024/1511

Report No. 6.6 Delegation of Functions 2024
File No: I2024/1440

Report No. 6.7 Annual Legislative Compliance Status Report 2023-2024
File No: I2024/1311

BUSINESS ARISING

Subject	Management Advice
1. Management to advise what contractual arrangements are in place with third party suppliers providing assurance over IT security and privacy/confidentiality.	
2. Consider how recommendations from these Cyber Reports may be captured and reported to the Executive Team and the Audit, Risk and Improvement Committee in a similar manner to internal audit recommendations tracking.	

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GENERAL BUSINESS

The Committee members raised the following matters:

1. Discussion surrounding investigation in to how Council proposes to manage internal AI use including:
 - Any regulatory/auditing reporting to be implemented
 - Managing any risk factors surrounding AI
 - Reporting/Disclosure on AI usage
 - Any third party usage policies
 - Develop an internal Policy on AI usage
2. Noted Workplace, Health and Safety issue with regard to potential injuries from plastic floor chair mats and a reported recent injury within Queensland regional Council. Workplace Health and Safety to potentially nationally releasing information regarding those incidentals around the workplace.
3. Discussion surrounding Council and source-separated food and garden organics (FOGO) waste and the difficulties in implementing this Shire wide. It was noted Council has implemented this process in Council facilities.

There being no further business the meeting concluded at 4.03pm.