

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	Tuesday, 13 May 2025
Time	9:30 AM

Esmeralda Davis
Director Corporate and Community Services

I2025/610
Distributed 29/04/25



BYRON
SHIRE
COUNCIL

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)

Committee members are reminded that they should declare and manage all conflicts of interest in respect of any matter on this Agenda, in accordance with the [Code of Conduct](#).

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.

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

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MINUTES FROM PREVIOUS MEETINGS

**Report No. 3.1 Minutes of the Audit, Risk and Improvement
Committee Meeting held 18 February 2025**

5 **Directorate:** Corporate and Community Services

File No: I2025/609

10 **RECOMMENDATION:**

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 18 February 2025 be confirmed.

<Section5>

15

BYRON SHIRE COUNCIL

MINUTES FROM PREVIOUS MEETINGS

3.1

Report

This report provides the minutes of the Audit, Risk and Improvement Committee Meeting of 18 February 2025 for confirmation. The minutes are available for viewing here:

[Minutes of Audit, Risk and Improvement Committee Meeting - Tuesday, 18 February 2025](#)

5 **Report to Council**

The minutes were reported to [Council on 24 April 2025](#) and all Committee recommendations were adopted.

BYRON SHIRE COUNCIL

MINUTES FROM PREVIOUS MEETINGS

3.2

**Report No. 3.2 CONFIDENTIAL Business Arising from
meeting held 18 February 2025**

File No: I2025/378

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STAFF REPORTS - GENERAL MANAGER

Report No. 4.1 Fraud control update

Directorate: General Manager

5 **Report Author:** Matt Meir, Legal Counsel

File No: I2025/466

Summary:

This report updates the Committee on Council's fraud control.

10

RECOMMENDATION:

That the Committee:

1. **Notes the update.**
- 15 2. **Provides advice to the General Manager as necessary.**

Report

Context

Council's legal section (Legal) last reported to the ARIC about fraud control in May 2023.

In January 2024, Council's former head of legal services retired.

- 5 The current head of Legal Services wasn't briefed on fraud control reporting prior to starting the role.

ARIC's fraud control responsibility

ARIC's constitution gives the Committee two responsibilities regarding fraud control:

5.3. *Fraud Control*

- 10
- a) *Review whether management's fraud and control plan and prevention strategies are adequate and effective.*
- 15
- b) *Review whether management has appropriate processes and systems in place to capture and effectively investigate fraud-related information.*

Prevention

On 5.3(a) – and noting the above context – Council Legal Services makes the following observations.

- 20 Council's chief fraud control document is its *Fraud and Corruption Control Policy 2023* (Policy).

The Policy was first adopted in 2011 after a recommendation from Council's then-auditors, OCM.

The Policy sits with Legal Services (though Legal has only existed in its current iteration since 2015).

- 25 The Policy was updated in mid-2023. The Policy's next review is mid-2027.

The Policy is brief and doesn't state much beyond what is self-evident – that Council doesn't want its people act fraudulently.

Beyond the Policy, Council's fraud prevention occurs via multiple sections. For instance:

- 30
- People and Culture introduce new Council staff to the workplace – this includes briefs on Council's culture and staff obligations regarding Council's governing legislation and policies.

BYRON SHIRE COUNCIL

STAFF REPORTS - GENERAL MANAGER

4.1

- 5 • Public interest disclosures under the *Public Interest Disclosures Act 2022* (the Act started in October 2023) can be made to multiple officials within Council. Meanwhile, Legal Services is responsible for Council's *Public Interest Disclosures Policy 2023* (PID Policy). It also files Council's annual return on PIDs to the NSW Ombudsman. There were no PIDs last financial year (2023-24). Legal isn't aware of any PIDs this financial year. Council's next PID disclosure is due in July 2025.
- 10 • Legal Services is the General Manager's primary advisor regarding Code of Conduct complaints against Councillors and staff. Since January last year, no Code complaint Legal has seen has alleged fraud.
- 15 • Annual interest disclosures and gift declarations for Councillors and Council staff are administered by Council's Corporate and Community Services directorate.
- Procurement and contract management occurs from day-to-day across the organisation by the sections that purchase goods and services. Legal Services does not know what proportion of Council's purchases are made by a single staffer compared to those in which multiple officials are involved or where the elected Council makes the relevant procurement decision.
- 20 • Council financial records are monitored throughout the year by its finance section and are audited annually by external advisors.
- Fraud awareness training for Council staff is provided intermittently. No section of Council is directly responsible for this. Training would generally be provided by a State Government agency – chiefly the Independent Commission Against Corruption (ICAC). The ICAC generally runs free workshops through the year. Its workshops calendar is [here](#). Council can also book bespoke workshops with ICAC.

25 While Legal Services appreciates that absence of evidence isn't always evidence of absence, it has no sense that Council has an intermittent problem with employee fraud – let alone a systemic problem.

This reflects Council's culture. Staff committing fraud isn't the way things are done around here.

30 In a culture where the risk of employee fraud is low, Legal doesn't think there is a pressing need for intensifying Council's fraud prevention work.

Work that doesn't respond to a clear shortcoming can run the risk of being a solution in search of a problem.

Equally, there is a standing offer from Legal to assist ARIC wherever it can if the latter thinks that more needs to be done upon reviewing the matters in 5.3(a).

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BYRON SHIRE COUNCIL

STAFF REPORTS - GENERAL MANAGER

4.1

Investigation

On 5.3(b), it is difficult for Legal Services to provide a useful view on this.

The qualification to Legal's sense that Council's employee fraud risk is very small is that Legal doesn't generally investigate fraud allegations against Council staff.

- 5 Because an allegation is linked to work, a Council employee accused of fraud would likely be dealt with industrially under the *Local Government Award 2023* and beyond this, potentially by the ICAC or the NSW Police.

- 10 This type of Council investigation into a staffer would be handled by People and Culture. For obvious reasons, investigations of this kind are confidential. Legal isn't privy to them and doesn't expect to be.

The rider to the above is that if a fraud allegation against a Council official was made as a public interest disclosure, the head of Council's Legal Services is Council's 'disclosures coordinator' under the PID Policy and would thus play a role in Council handling this type of complaint.

- 15 Council's PID policy contains the details regarding PID reporting. As noted above, since the PID Act's introduction, there hasn't been a fraud allegation against a Council staffer.

Again, there is a standing offer from Legal Services to assist ARIC wherever it can if the latter thinks that more needs to be done upon reviewing the matters in 5.3(b).

Strategic Considerations

20 **Community Strategic Plan and Operational Plan**

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
1: Effective Leadership	1.3: Ethical and efficient management of resources	1.3.4: Procurement - Ensure Council's procurement framework is robust, efficient, and effective	1.3.4.1	Investigate and implement initiatives to build internal capacity in effective procurement and contract management

CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 5.1 CONFIDENTIAL - 2024-2025 External Audit Engagement Plan

5 **Directorate:** Corporate and Community Services
Report Author: James Brickley, Manager Finance
File No: I2025/270

Summary:

10 This report presents the 2024-2025 External Audit Engagement Plan for Council to the Audit, Risk and Improvement Committee for noting.

RECOMMENDATION:

- 15 1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolves to move into Confidential Session to discuss the report 2024-2025 External Audit Engagement Plan.
- 20 2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
- a) matters affecting the security of the council, councillors, council staff or 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 the report contains details of systems and/or arrangements that have been implemented to protect Council, Councillors, Staff and Council property.

Attachments:

- 30 1 Confidential - 2024-2025 External Audit Engagement Plan, E2025/23957

Report No. 5.2 **CONFIDENTIAL - Internal Audit Report Q3 2024-2025 & Draft Section 10.7 Certificate Internal Audit Report**

Directorate: Corporate and Community Services

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

File No: I2025/546

Summary:

This report presents:

- 10
- The Internal Audit Status Report – May 2025 (Attachment 1)
 - The Internal Audit Recommendations Status Report for Quarter 3 2024-2025 (Attachment 2)
 - The Draft Section 10.7 Certificate Audit Report with Agreed Management Actions (Attachment 3)
- 15

RECOMMENDATION:

- 20
1. That pursuant to Section 10A(2)(d)i of the Local Government Act, 1993, Council resolves to move into Confidential Session to discuss the report Internal Audit Report Q3 2024-2025 & Draft Section 10.7 Certificate Internal Audit Report.
 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
 - 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:

Internal audit is for operational purposes and improvements.

BYRON SHIRE COUNCIL

CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

5.2

Attachments:

- 1 Internal Audit Status Report - ARIC Report - May 2025, E2025/41908
- 2 Internal Audit Recommendations Q3 2024-2025, E2025/41255
- 5 3 DRAFT Internal Audit Report - Section 10.7 Certificates (April 2025), E2025/36446

Report No. 5.3 CONFIDENTIAL - Internal Audit Plans

Directorate: Corporate and Community Services

Report Author: Amber Watt, Strategic Risk Coordinator

File No: I2025/545

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Summary:

The purpose of this report is to request the Audit, Risk and Improvement Committee endorse the:

- Revised Internal Audit Plan for 2024/25
- Revised Internal Audit Plan for 2025/26
- Revised Internal Audit Plan for 2024 - 2028

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RECOMMENDATION:

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1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolves to move into Confidential Session to discuss the report Internal Audit Plans.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
 - a) 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 matter in open Council would be contrary to the public interest, as details of the internal audit program are included in the report

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25

Attachments:

- 1 Revised Internal Audit Plan 2024/25, E2025/42106
- 2 Revised Internal Audit Plan 2025/26, E2025/42100
- 3 Revised Internal Audit Plan 2024-2028, E2025/42122

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Report No. 7.1 CONFIDENTIAL - Cyber Security & System Outages Quarterly Update

5 **Directorate:** Corporate and Community Services
Report Author: Colin Baker, Manager Business Systems and Technology
File No: I2025/391

Summary:

10 This report provides a summary of cyber security activities and online service outages for the reporting period 1 January 2025 to 31 March 2025.

15 Cyber improvement activities and regular vulnerability scanning of external facing systems are ongoing. A highlight for this period were completion of a proactive cyber monitoring solution (Security Incidents Event Monitoring) and replacement of a Web Application Firewall solution. The latest independent vulnerability scan rated Council as having, “a robust security posture and good attack surface management”.

No cyber security incidents were recorded in the reporting period.

20 There were no service outages to Council’s online systems for both public and staff despite significant power outages resulting from cyclone Alfred. This highlights resilience improvements to the IT systems since the flood event in 2022.

Report No. 7.2 CONFIDENTIAL - Q3 2024/25 Risk Initiatives and Updates

Directorate: Corporate and Community Services

Report Author: Amber Watt, Strategic Risk Coordinator

5 **File No:** I2025/542

Summary:

Council is committed to an integrated, consistent and sustainable approach to risk management to support the achievement of its strategic and operational objectives and to maximise opportunities for improvement.

- 10 The following update and attached report provide an outline of recent risk initiatives and an update on actions updated or completed in Q3 2024/25, to aid in mitigating Council's strategic and operational risks.

Report No. 7.3 Audit Office's 30 June 2024 financial audits of New South Wales (NSW) councils' financial statements

Directorate: Corporate and Community Services

5 **Report Author:** Esmeralda Davis, Director Corporate and Community Services

File No: I2025/432


Summary:

This report presents the audit results and key themes from the Audit Office's 30 June 2024 financial audits of New South Wales (NSW) councils' financial statements.

- 10 It highlights the increasing pressure on the financial sustainability of councils, an issue recently examined in both [Federal](#) and [State](#) parliamentary inquiries. Further, the Australian Local Government Association (ALGA) commissioned a [report](#) which outlines the long term trends in Australian local government financial sustainability, which was used in their submission to the Federal inquiry.
- 15 The key themes identified in the ALGA report include declining financial sustainability, vertical fiscal imbalance across the tiers of government (including cost shifting and councils' increased reliance on grant funding), and financial barriers to local decision making (e.g. required grant co-contributions from councils).

20 This report is provided for the Audit, Risk, and Improvement Committee's (ARIC) information.

Attachments:

- 25 1 Audit Office Final report - Local government 2024 (all Councils), E2025/34042 

Report

This report presents the audit results and key themes from the Audit Office’s 30 June 2024 financial audits of all New South Wales (NSW) councils’ financial statements. Also noteworthy, is Appendix 1 to the attachment – Response from the Office of Local Government within the Department of Planning, Housing and Infrastructure which acknowledges the recommendations made by the Audit Office and steps taken to address them.

It highlights the increasing pressure on the financial sustainability of councils, an issue recently examined in both [Federal](#) and [State](#) parliamentary inquiries. Council made a submission to the State inquiry and supported a regional submission (NRJO) to the Federal inquiry.

Further, the Australian Local Government Association (ALGA) commissioned a [report](#) which outlines the long term trends in Australian local government financial sustainability, which was used in their submission to the Federal inquiry. The key themes identified in the ALGA report include declining financial sustainability, vertical fiscal imbalance across the tiers of government (including cost shifting and councils’ increased reliance on grant funding), and financial barriers to local decision making (e.g. required grant co-contributions).







In summary, the findings from the Audit Office are outlined below:






General Findings	Byron Shire Council position
<p>Audit Opinions: 124 councils received unqualified audit opinions, while three councils had modified opinions for their financial statements as of 30 June 2024.</p>	<p><input checked="" type="checkbox"/> Unqualified audit opinion</p>
<p>Financial Statement Issues: 18 councils submitted over six versions of financial statements, indicating poor reporting quality.</p>	<p>General Purpose Financial Statements – 3 versions</p> <ul style="list-style-type: none"> • First draft when audit commenced. • Subsequent draft near the end of the audit to process audit markups or disclosure adjustments after review by HLB Mann Judd • Final version after review from the Audit Office. <p>Special Purpose Reports – 3 versions</p> <ul style="list-style-type: none"> • First draft when audit commenced. • Subsequent draft as there was an error in the Holiday Park Special Purpose Financial Statement picked up by Council and submitted to

BYRON SHIRE COUNCIL

FOR INFORMATION ONLY

7.3

General Findings	Byron Shire Council position									
	<p style="text-align: center;">audit within 2 days of first draft.</p> <ul style="list-style-type: none"> Final version after audit markups. 									
<p>Statutory Deadlines: 88% of councils lodged their audited financial statements on time, an improvement from 67% in 2023. However, 15 councils, two county councils, and five joint organizations missed the deadline.</p>	<p> Lodged on time</p>									
<p>Financial Sustainability: 35 councils failed to meet key benchmarks for sustainability, with inflation-adjusted revenue growth lagging behind expenditure growth, causing negative growth in real terms. Many councils (36%) lack long-term financial planning, particularly rural ones.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Operating performance</th> <th style="text-align: left;">Current ratio</th> <th style="text-align: left;">Infrastructure renewals</th> </tr> </thead> <tbody> <tr> <td>Measures how well operating expenses are contained within operating revenue.</td> <td>Measures the ability to meet short-term obligations.</td> <td>Rate at which assets are ren against the rate at which the depreciated.</td> </tr> <tr> <td>Benchmark >0%</td> <td>Benchmark >1.5 times</td> <td>Benchmark >100%</td> </tr> </tbody> </table>	Operating performance	Current ratio	Infrastructure renewals	Measures how well operating expenses are contained within operating revenue.	Measures the ability to meet short-term obligations.	Rate at which assets are ren against the rate at which the depreciated.	Benchmark >0%	Benchmark >1.5 times	Benchmark >100%	<p> Operating Performance: 4.28%</p> <p> Current Ratio: 3.75 times</p> <p> Infrastructure Renewals: 210.90%</p>
Operating performance	Current ratio	Infrastructure renewals								
Measures how well operating expenses are contained within operating revenue.	Measures the ability to meet short-term obligations.	Rate at which assets are ren against the rate at which the depreciated.								
Benchmark >0%	Benchmark >1.5 times	Benchmark >100%								
<p>Fraud Prevention: 35 councils haven't conducted fraud awareness training, increasing risks.</p>	<p> Training has occurred previously, however not in the past 12 months.</p>									
<p>Cyber Risks: Weak controls over user access and privileged accounts were identified in 32 councils. Gaps in management processes were found in 29 councils.</p>	<p> Privileged User - Current external audit action from June 2023 - due date 30 June 2025.</p> <p>This item relates to identifying privileged roles in Authority or a combination of assigned roles which may allow for unintended actions being able to be completed.</p> <p>There is currently no inbuilt report in Authority to allow managers or module owners to review user rights. Council staff have been working on a Power BI Report to facilitate this review, but this is still a work in progress.</p>									

General Findings	Byron Shire Council position
<p>Cyber Security: Improvements have been made, but risks remain:</p> <ul style="list-style-type: none"> • 26% of councils lack a cyber security policy. • 64% haven't identified all information assets requiring protection. • 37% rated their residual cyber security risk above their appetite. • Planning for cyber security improvements is inadequate. • Regular cyber security awareness training isn't mandated by all councils. 	<p>Council is in the process of creating a new cyber improvements roadmap based on the OLG 2025 Cyber Security Guidelines.</p> <p> Policy – Council has a draft cyber security policy which needs refinement.</p> <p> Information Asset Register – not yet actioned.</p> <p> Council's risk appetite - is under review to better align with the reality of cyber risks.</p> <p> Council's cyber improvement plan - based on a formal cyber assessment completed in 2019. This is being refreshed based on the OLG Guidelines</p> <p> Training - Council has deployed a formal cyber security training program for all staff. (Phriendly Phishing).</p>

Strategic Considerations

Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
1: Effective Leadership	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, Audit Risk and Improvement Committee and Council

Alignment with ARIC Responsibilities

This report has been prepared to support the committee in fulfilling the following responsibilities as set out in the ARIC Constitution:

- 5 **5.4. Financial Management**
Review and advise Council:
- 10 a) if Council is complying with accounting standards and external accountability requirements
- b) of the appropriateness of Council's accounting policies and disclosures
- 15 c) of the implications for Council of the findings of external audits and performance audits and Council's responses and implementation of recommendations
- d) whether the Council's financial statement preparation procedures and timelines are sound
- e) the accuracy of the Council's annual financial statements prior to external audit, including:
- management compliance/representations
 - significant accounting and reporting issues
 - the methods used by Council to account for significant or unusual transactions and areas of significant estimates or judgements
 - appropriate management signoff on the statements
- 20 f) if effective processes are in place to ensure financial information included in Council's report is consistent with signed financial statements
- g) if Council's financial management processes are adequate
- 25 h) the adequacy of cash management policies and procedures
- i) if there are adequate controls over financial processes, for example:
- appropriate authorisation and approval of payments and transactions
 - adequate segregation of duties
 - timely reconciliation of accounts and balances
 - review of unusual and high value purchases
- 30 j) if policies and procedures for management review and consideration of the financial position and performance of Council are adequate
- k) if Council's grants and tied funding policies and procedures are sound
- 35 **5.10. External Audit**
- a) Act as a forum for communication on external audit issues.
- b) Review the findings of external audits and monitor the implementation by management any recommendations for corrective action.

**Report No. 7.4 Draft Delivery Program 2025 - 2029 and
2025/26 Operational Plan, Budget, and
Revenue Policy**

Directorate: Corporate and Community Services

5 **Report Author:** Amber Evans Crane, Corporate Planning and Improvement
Coordinator

File No: I2025/553

Report:

10 All Councils in NSW use the Integrated Planning and Reporting (IP&R) framework to guide
their planning and reporting activities. IPR is requirement under the *Local Government Act
1993* (the Act) which sets out mandatory elements. The Background section of this report
outlines the key Integrated Planning and Reporting documents.

IP&R documents are reviewed regularly to align with the local government election.

15 A refresh of the Community Strategic Plan was undertaken in 2024 and a revised
Community Strategic Plan 2035 (CSP) was placed on public exhibition at the 29
November 2024 Council Meeting. This is being presented to Council on 8 May 2025 for
final endorsement.

20 The revised CSP has formed the basis of the development of the 2025 – 2029 Delivery
Program (DP). The DP sets the priorities for the term of Council and lists Actions to be
delivered during this four-year period. A draft DP is being presented to Council on 8 May
2025 with the recommendation it is placed on public exhibition.

25 Alongside this the 2025/26 Operational Plan (OP) has been prepared, detailing the
activities to be undertaken in the next financial year towards the four-year DP. This
includes the annual budget, revenue policy, and fees and charges. The OP will also be
proposed for public exhibition at the 8 May Council Meeting.

During public exhibition of these documents, submissions will be invited and consultation
events held to collect feedback. Amendments will be considered and the final documents
presented back to Council for adoption by 30 June 2025 as is required under the Act.

30

Background

The central IP&R documents are outlined in more detail:

10 Year Community Strategic Plan

5 Leading the Council's planning hierarchy, the Community Strategic Plan (CSP) captures the community's vision, aspirations, and expectations for the future. It identifies key social, economic, and environmental priorities and long term strategies to achieve these goals over the next 10 years.

10 The CSP outlines the vision, community objectives and supporting strategies which will guide Council's long-term decision making. Robust engagement with the community about their desires and expectations has guided the long-term future planning to meet the needs and aspirations of the community.

10 Year Resourcing Strategy

15 The resourcing strategy addresses the sustainable long term financial, asset management, and workforce planning requirements. This is the point where Council assists the community by sorting out who is responsible for what, in terms of the issues identified in the Community Strategic Plan.

4 Year Delivery Program

20 The delivery program translates the community strategic plan goals into actions. It is Council's commitment to the community, outlining what it intends to do toward achieving the goals of the community strategic plan during its term of office. The Delivery Program is the single point of reference for all principal activities undertaken by Council. All plans, projects, activities, and funding allocations must be directly linked to the four-year delivery program.

Annual Operational Plan

25 The Delivery Program is supported by an annual Operational Plan which details the individual projects and activities that will be undertaken each year to achieve the commitments of the Delivery Program and Community Strategic Plan more broadly. The Operational Plan is supported by a detailed budget and a statement of revenue policy, which also sets the fees and charges for that year.

30 The diagram below illustrates the relationship and hierarchy of the strategies and plans.



Attachments:

- 5 1 Draft Delivery Program 2025-29 - for presentation to May 2025 Ordinary Council Meeting, E2025/28134
- 2 Draft 2025- 2026 Operational Plan for public exhibition, E2025/41579
- 3 Draft 2025- 2026 Operational Plan for public exhibition, E2025/41579
- 4 Draft 2025-26 Budget for Public Exhibition, E2025/42943
- 10 5 Draft 2025-26 Statement of Revenue Policy for Public Exhibition, E2025/42947

Strategic Considerations

Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
1: Effective Leadership	1.1: Enhance trust and accountability through open and transparent leadership	1.1.4: Performance Measurement and Reporting - Embed a robust performance management system through the development of an outcomes measurement framework	1.1.4.4	Prepare the 2025-2029 Delivery Program
			1.1.4.1	Continue to develop the outcomes measurement framework to strengthen the

BYRON SHIRE COUNCIL

FOR INFORMATION ONLY

7.4

CSP Objective	CSP Strategy	DP Action	Code	OP Activity
				Delivery Program reporting
		1.1.1: Leadership - Enhance leadership effectiveness, capacity, and ethical behaviour	1.1.1.3	Develop 2025/26 Operational Plan
	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 2023/2024

Recent Resolutions

- **24-517** – Draft 2035 Community Strategic Plan placed on public exhibition

Legal/Statutory/Policy Considerations

5 The requirements for Integrated Planning and Reporting are governed by [Sections 402-406](#) of the Local Government Act 1993. [Section 405](#) outlines the Operational Plan requirements including public exhibition and timeframes.

The specific statements required by Council to be disclosed as part of its Revenue Policy are determined by [Clause 201 of the Local Government \(General\) Regulation 2005](#).

10 Detailed requirements are outlined in the Integrated Planning and Reporting [Guidelines](#) and [Handbook](#).

Financial Considerations

A detailed budget and Statement of Revenue Policy has been prepared and is on exhibition with the draft Operational Plan.

Consultation and Engagement

15 In accordance with the Local Government Act, the draft Operational Plan (including the annual budget, revenue policy, and fees and charges) will be exhibited for a minimum of 28 days. Prior to the adoption the Operational Plan, Council must consider any submissions received during the exhibition period.

20

Alignment with ARIC Responsibilities

This report has been prepared to support the committee in fulfilling the following responsibilities as set out in the ARIC terms of reference:

Strategic planning

- 5 Review and advise the Council:
 - of the adequacy and effectiveness of the Council's integrated, planning and reporting (IP&R) processes
 - if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- 10 → whether the Council is successfully implementing and achieving its IP&R objectives and strategies.

Report No. 7.5 Operational Plan 2024/25 Quarter 3 Report - to 1 January to 31 March 2025

Directorate: Corporate and Community Services

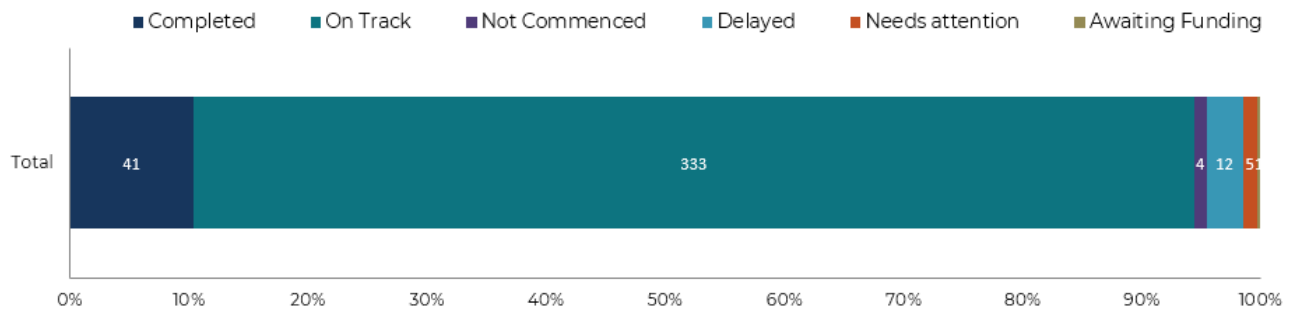
Report Author: Amber Evans Crane, Corporate Planning and Improvement Coordinator

File No: I2025/554

Summary:


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 progress toward the activities in the 2024/25 Operational Plan at the end of the third quarter for the information of the Audit, Risk and Improvement Committee. A summary of the status is provided in the graph below:



15

Attachments:

- 1 Operational Plan 2024/25 - Quarterly Report - Q3 - 1 January to 31 March 2025, E2025/41786 

20

Report

Operational Plan lists the program of work Council has committed to undertake in the financial year. The quarterly report provides a status update on Council’s progress in carrying out the activities with a comment from the relevant council officer.

- 5 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.

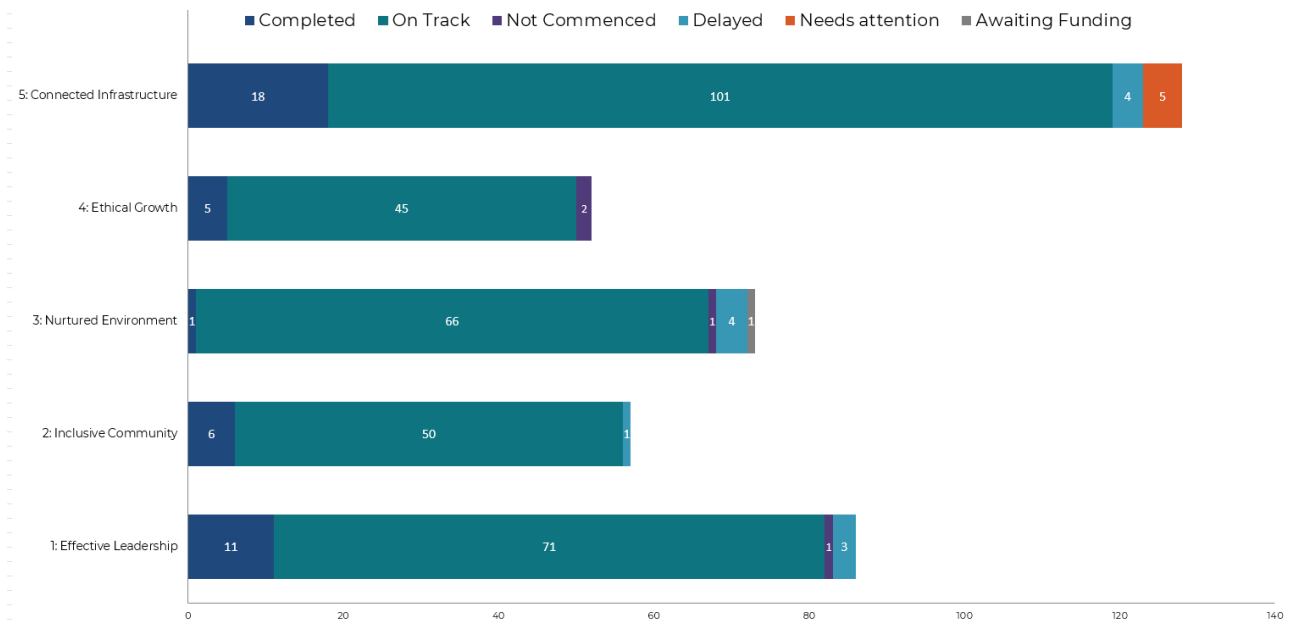
10 The Quarter 3 report will be provided to Council at the 22 May 2025 Ordinary Council Meeting. Council will also receive a list of any proposed amendments to the OP and rationale for adoption.

Community Objectives

The OP Report is structured by the five Community Objectives in the Byron Shire Community Strategic Plan:

- 15 • **Effective Leadership:** We have effective decision making and community leadership that is open and informed
- **Inclusive Community:** We have an inclusive and active community where diversity is embraced and everyone is valued
- **Nurtured Environment:** We nurture and enhance the natural environment
- 20 • **Ethical Growth:** We manage growth and change responsibly
- **Connected Infrastructure:** We have connected infrastructure, transport, and facilities that are safe, accessible, and reliable

Q3 Status by Community Objective:



25

How to read the Report:

The Report (#E2025/41786) details Council’s progress toward the activities in the 2024/25 Operational Plan. It includes a status update on progress and commentary on the activities undertaken during the reporting period.

5 Each section notes the progress against the activities including:

- Activity
- Measure
- Timeframe
- Comments
- Status

10

✓ **Completed:** the activity has been completed in accordance with the prescribed measures

▶ **On Track:** progressing and on track, in accordance with the timeframe, measures, and budget

15

⊗ **Needs Attention:** indicates that the scope of the activity may need to be reviewed in line with constraints such as timeframe/budget

|| **Delayed** - progressing but not currently on track with the timeframe, measures, or budget

20

– **Not Commenced** – not yet commenced or due to commence

Strategic Considerations

Community Strategic Plan and Operational Plan

CSP Objective	CSP Strategy	DP Action
1: Effective Leadership	1.1: Enhance trust and accountability through open and transparent leadership	1.1.1: Leadership - Enhance leadership effectiveness, capacity, and ethical behaviour

Legal/Statutory/Policy Considerations

25 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.

Alignment with ARIC Responsibilities

This report has been prepared to support the committee in fulfilling the following responsibilities as set out in the ARIC Terms of Reference:

Strategic planning

- 5 Review and advise the Council:
 - of the adequacy and effectiveness of the Council's integrated, planning and reporting (IP&R) processes
 - if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- 10 → whether the Council is successfully implementing and achieving its IP&R objectives and strategies.

Financial Considerations

Council's financial performance for the reporting period is addressed in the Quarterly Budget Review.

15 Consultation and Engagement

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