

Minutes of Meeting

Audit, Risk and Improvement Committee Meeting

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 15 February 2024
Time	11.30am



BYRON
SHIRE
COUNCIL

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AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES 15 FEBRUARY 2024

Minutes of the Audit, Risk and Improvement Committee Meeting held on Thursday, 15 February 2024

File No: I2024/159

PRESENT:

Councillors:	Cr M Swivel	Present
	Cr A Hunter	Present
Independent Members:	Patrick Grier (Chairperson)	Present
	Michael Georghiou	Apology
	Bernard Grinberg	Present
Staff:	Mark Arnold (General Manager)	Present
	Esmeralda Davis (Director Corporate and Community Services)	Present
	Heather Sills (Manager Corporate Services)	Audio-visual
	James Brickley (Manager Finance)	Present
	Colin Baker (Manager Business Systems and Technology)	Present
	Cameron Clark (Manager Utilities)	Present
	Chris Soulsby (A/Manager Assets and Major Projects)	Audio-visual
	Amber Watt (Strategic Risk Coordinator)	Present
	Mila Jones (Governance and Internal Audit Coordinator)	Present
	Storm Townsend (Minute taker)	Present
Other Attendees:	Adam Bradfield (Thomas, Noble & Russell)	Present
	Gearoid Fitzgerald (NSW Audit Office)	Audio-visual
	Jarrold Lean (Grant Thornton)	Audio-visual

Pat Grier (Chair) opened the meeting at 11:38am and acknowledged that the meeting was being held on Bundjalung Country.

ATTENDANCE VIA AUDIO-VISUAL LINK:

Jarrold Lean, Gearoid Fitzgerald, Heather Sills, Chris Soulsby attended via audio visual link.

APOLOGIES:

An apology was received from Michael Georghiou.

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DECLARATIONS OF INTEREST – PECUNIARY AND NON-PECUNIARY

There were no declarations of interest.

ADOPTION OF MINUTES FROM PREVIOUS MEETINGS

Report No. 3.1 **Minutes of the Audit, Risk and Improvement Committee Meeting held 16 November 2023**

File No: I2024/16

Committee Recommendation:

That the minutes of the Audit, Risk and Improvement Committee Meetings held on 16 November 2023 be confirmed. (Hunter/Grinberg)

*The recommendation was put to the vote and declared carried
Cr Swivel was not present for the vote..*

Cr Swivel arrived at the meeting at 11.39am.

BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from previous minutes.

CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

PROCEDURAL MOTION

Committee Recommendation:

1. That in respect to:
 - a) Report 5.1, pursuant to Section 10A(2)(d)i of the Local Government Act, 1993, the Committee moves into Confidential Session to discuss the report Internal Audit Report Quarter 2 2023-2024;
 - b) Report 5.2, pursuant to Section 10A(2)(a) of the Local Government Act, 1993, Council resolves to move into Confidential Session to discuss the report Service Review - Outside School Hours Care;
 - c) Report 5.3, pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolves to move into Confidential Session to discuss the report 2023 Year End Management Letter;
 - d) Report 5.4, pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolves to move into Confidential Session to discuss the report Risk

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Report; and

- e) Report 7.1, pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolves to move into Confidential Session to discuss the report Cyber Security Quarterly Update.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
 - a) Reports 5.1 commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it;
 - b) Report 5.2 personnel matters concerning particular individuals (other than councillors); and
 - c) Reports 5.3, 5.4 and 7.1 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:
 - a) Report 5.1 the nature and content of internal audit reports is for operational purposes;
 - b) Report 5.2 the service review makes recommendations which, if accepted, will impact a number of staff directly. Staff and unions are being consulted as per the requirements of the Local Government Award, and until feedback has been considered and applied to this proposal, it should remain confidential;
 - c) Report 5.3 the nature and content of audit reports is for operational purposes and report details information about Council systems, controls and processes;
 - c) Report 5.4 risk information; and
 - b) Report 7.1 exposes information security risks and vulnerabilities that could assist unauthorised threats to Council's information and systems.

(Grier/Grinberg)

The recommendation was put to the vote and declared carried.

Report No. 5.1 CONFIDENTIAL - Internal Audit Report Quarter 2 2023-2024
File No: I2024/50

Committee Recommendation:

That the Audit, Risk and Improvement Committee:

- 1. Notes the Internal Audit Recommendations Status Report for Quarter 2 2023-2024 and the Internal Auditors Summary (Attachment 1 E2024/6429)**
- 2. Notes the Internal Audit Status Update from the internal auditors (Attachment 2 E2024/7397).**

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3. **Recommends to Council that it endorses the closure of five internal audit recommendations from Quarter 2 2023-2024 as listed in Table 1 of this report (a summary from Attachment 1).** (Hunter/Grinberg)

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

Report No. 5.2 **CONFIDENTIAL - Service Review - Outside School Hours Care**
File No: I2024/40

Committee Recommendation:

That, based on the risks and benefits outlined in this report, the Audit Risk and Improvement Committee recommends to Council that it:

- a) **notifies the NSW Department of Education that it wishes to relinquish the current licences for Byron Bay and Brunswick Heads Outside School Hours Care and support a tender for a new provider to commence as soon as possible, aiming for no later than 1 July 2024.**
- b) **continues to deliver services until a new provider is selected and operational, and work with them to support an effective transition.**
- c) **requests staff to develop and implement a transition plan which includes communication of Council's decision to relevant stakeholders, including staff, families and the schools.** (Hunter/Grinberg)

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

Report No. 5.3 **CONFIDENTIAL - 2023 Year End Management Letter**
File No: I2024/77

Committee Recommendation:

That the comments provided by Management in response to issues raised in the 2023 Year End Audit Management Letter (#E2024/6693) be noted by Council and the Audit, Risk and Improvement Committee. (Grinberg/Hunter)

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

Report No. 5.4 **CONFIDENTIAL - Risk Report**
File No: I2024/87

Committee Recommendation:

- 1. **That the Audit, Risk and Improvement Committee notes the Risk Report.**
- 2. **That the Audit, Risk and Improvement Committee notes the revised Strategic**

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Risks (E2024/5402).

(Swivel/Grinberg)

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

FOR INFORMATION ONLY

Report No. 7.1 **CONFIDENTIAL - Cyber Security and System Outages Quarterly Update**
File No: I2024/54

PROCEDURAL MOTION

Committee Recommendation:

That the meeting move out of confidential session.

(Grinberg/Hunter)

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

Report No. 7.2 **Service Review Framework**
File No: I2024/78

Report No. 7.3 **Delivery Program 6-monthly Report and Operational Plan 2023/24 Quarter 2 Report - to 31 December 2023**
File No: I2024/96

BUSINESS ARISING

Cr Swivel left the meeting at 1:11pm and did not return.

No. 8.1 **Water and Sewerage Mains in Mullumbimby CBD**

Committee Recommendation:

The ARIC Committee requests:

1. A Report be returned to the Audit Risk and Improvement Committee on

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**investigations into the inflow and outflow meter at the Brunswick Valley STP;
and**

- 2. An independent peer review report at the completion of the Inflow and Infiltration Program be provided to the Audit Risk and Improvement Committee.** (Hunter/Grier)

The recommendation was put to the vote and declared carried.

Bernard Grinberg voted against the motion.

Cr Swivel was not present for the vote.

There being no further business the meeting concluded at 1:58pm.