

# Minutes of Meeting

## Audit, Risk and Improvement Committee Meeting

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 17 November 2022
Time	11.30am



**BYRON**  
SHIRE  
COUNCIL



# BYRON SHIRE COUNCIL

## AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES NOVEMBER 2022

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### **Minutes of the Audit, Risk and Improvement Committee Meeting held on Thursday, 17 November 2022**

**File No:** I2022/1653

**PRESENT:** Cr M Swivel, Cr A Hunter

Staff: Mark Arnold (General Manager)  
Esmeralda Davis (Director Corporate and Community Services)  
Heather Sills (Acting Manager Corporate Services)  
James Brickley (Manager Finance)  
Colin Baker (Manager Business Systems and Technology)  
Amber Watt (Strategic Risk Coordinator)  
Mila Jones (Governance and Internal Audit Coordinator)  
Amber Evans Crane (Minute taker)

Community Representatives: Patrick Grier (Chairperson)  
Bernard Grinberg

Other Attendees: Jarrod Lean (Grant Thornton)  
Gearoid Fitzgerald [Virtual]  
Adam Bradfield [Virtual]

*In the absence of Michael Georghiou at today's meeting, Patrick Grier was nominated as the Chairperson.*

*Patrick Grier (Chair) opened the meeting at 11.31AM and acknowledged that the meeting was being held on Bundjalung Country.*

#### ATTENDANCE VIA AUDIO-VISUAL LINK:

Gearoid Fitzgerald and Adam Bradfield attended via audio-visual link.

#### APOLOGIES:

There was an apology from Michael Georghiou.

#### Committee Recommendation:

That the apology from Michael Georghiou be accepted. (Grier)

#### 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**      **Minutes of the Audit, Risk and Improvement Committee Meeting held 18 August 2022**  
**File No:**              I2022/1114

#### **Committee Recommendation:**

**That the minutes of the Audit, Risk and Improvement Committee Meeting held on 18 August 2022 be confirmed.** (Hunter/Grier)

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

*Note: The minutes of the meeting held on 18 August 2022 were noted, and the Committee Recommendations adopted by Council, at the Ordinary Meeting held on 29 September 2022.*

### **BUSINESS ARISING FROM PREVIOUS MINUTES**

There was no business arising from previous minutes.

*The Committee changed the order of business to deal with Report 6.1 next on the Agenda.*

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### LATE REPORT - CORPORATE AND COMMUNITY SERVICES

**No. 6.1**                      **Draft 2021/2022 Financial Statements**  
**File No:**                  I2022/1701

#### **Committee Recommendation:**

1. That the Audit, Risk and Improvement Committee note the Audit Engagement Closing Report for the year ended 30 June 2022 provided by the Audit Office of NSW provided at Confidential Attachment 3 (#E2022/113308).
- 2 That Council:
  - (a) adopts the Draft 2021/2022 Financial Statements incorporating the General Purpose Financial Statements (#E2022/112363) and Special Purpose Financial Statements (#E2022/112364).
  - (b) approves the signing of the "Statement by Councillors and Management" in accordance with Section 413(2)(c) of the Local Government Act 1993 and Section 215 of the Local Government (General) Regulation 2021 in relation to the 2021/2022 Draft Financial Statements.
  - (c) endorses that the Audited Financial Statements and Auditors Report be presented to the public at the Ordinary Meeting of Council scheduled for 15 December 2022 in accordance with Section 418(1) of the Local

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### Government Act 1993.

(Hunter/Swivel)

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

*Gearoid Fitzgerald and Adam Bradfield left the meeting.*

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### STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

**Report No. 4.1      Internal Audit Plan 2023-2024**  
**File No:              I2022/1115**

#### **Committee Recommendation:**

- 1. That Council endorses the revised Internal Audit Plan 2023-2024 (E2022/104827).**
- 2. That Council notes that the Audit, Risk and Improvement Committee will receive a detailed version of the Internal Audit Plan 2023-2024 at the first meeting in 2023 to allow for any refinement of the Plan.** (Grinberg/Swivel)

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

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**Report No. 4.2      2023 Agenda Schedule**  
**File No:              I2022/1440**

#### **Committee Recommendation:**

**That Council endorses the Agenda Schedule for 2023 (Attachment 2 E2022/98398).**  
(Hunter/Swivel)

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

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**Report No. 4.3      Audit, Risk and Improvement Committee Performance Review**  
**File No:              I2022/1446**

#### **Committee Recommendation:**

**That the Audit, Risk and Improvement Committee members consider its performance in accordance with the requirements of the Constitution and prepare a report for the next ARIC meeting.** (Grier/Hunter)

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

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**Report No. 4.4      Business Continuity Plan Review 2022**  
**File No:              I2022/1476**

**Committee Recommendation:**

**That Council endorses the revised Business Continuity Plan Part 1 – Manual (E2022/100219).** (Grinberg/Swivel)

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

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**Report No. 4.5      Financial Reporting to Audit, Risk and Improvement Committee**  
**File No:              I2022/1557**

**Committee Recommendation:**

**That the Audit, Risk and Improvement Committee receive financial reporting updates on a monthly basis at the same time as the elected Council in the format provided at Attachment 1.** (Swivel/Hunter)

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

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## CONFIDENTIAL REPORTS - CORPORATE AND COMMUNITY SERVICES

### PROCEDURAL MOTION

That the meeting move into confidential session for the following reasons:

**Report No. 5.1    CONFIDENTIAL - Internal Audit Report Quarter 1 2022-23 including Open Space Review**

1. That pursuant to Section 10A(2)(a) and (d)i of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report Internal Audit Report Quarter 1 2022-23 including Open Space Review.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
  - a) personnel matters concerning particular individuals (other than councillors)
  - b) commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it
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 nature and content of internal audit reports is for operational purposes.

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#### Report No. 5.2 CONFIDENTIAL - Risk Report

1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report Risk Report.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
  - a) details of systems and/or arrangements that have been implemented to protect council, councillors, staff and 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:

Risk Management

#### Report No. 5.3 CONFIDENTIAL - Cyber Security and IT System Outages Quarterly Update

1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report Cyber Security and IT System Outages Quarterly Update.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
  - a) details of systems and/or arrangements that have been implemented to protect council, councillors, staff and 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:

Exposes information security risks and vulnerabilities that could assist unauthorised threats to Council's information and systems.

#### Report No. 5.4 CONFIDENTIAL - External Audit Actions Quarter 1 2022-2023 Update

1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolve to move into Confidential Session to discuss the report External Audit Actions Quarter 4 2021-2022 Update.
2. That the reasons for closing the meeting to the public to consider this item be that the report contains:
  - a) details of systems and/or arrangements that have been implemented to protect council, councillors, staff and 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:

Nature and content of audit reports is for operational purposes and report details information about Council systems, controls and processes.

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**Report No. 5.1**      **CONFIDENTIAL - Internal Audit Report Quarter 1 2022-23**  
including Open Space Review  
**File No:**              I2022/863

#### **Committee Recommendation:**

**That Council:**

- 1. Notes the Summary of Internal Audit Recommendations for Quarter 1 2022-2023 at Attachment 1 (E2022/102222).**
- 2. Endorses the recommendations from the Executive Team to close off four internal audit recommendations from Quarter 1 2022-2023 as listed in Table 1 of this report (which is a summary from Attachment 2 E2022/E2022/96912).**
- 3. Endorses that management implement the recommendations made in the Internal Audit of Open Space (September 2022) (Attachment 3 E2022/102322).**  
(Hunter/Swivel)

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

*Cr Swivel left the meeting room at 1.22PM.*

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**Report No. 5.2**      **CONFIDENTIAL - Risk Report**  
**File No:**              I2022/1512

#### **Committee Recommendation:**

- 1. That the Audit, Risk and Improvement Committee notes the review of the Draft Strategic and Operational Risk Register Reports (Attachment 1 E2022/104226/) and risk management activities and improvements planned or underway.**
- 2. That the Strategic and Operational Risk Registers are next reported back to ARIC in six (6) months, at the meeting held in May 2023.** (Hunter/Grinberg)

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

*Cr Swivel returned to the meeting room at 1.26PM.*

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**Report No. 5.3**      **CONFIDENTIAL - Cyber Security and IT System Outages**  
**Quarterly Update**  
**File No:**              I2022/1536

#### **Committee Recommendation:**

**That the Audit Risk and Improvement Committee:**

- 1. Notes the report**
- 2. Receives ongoing cyber security and system outage status reports**  
(Swivel/Hunter)

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

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**Report No. 5.4**      **CONFIDENTIAL - External Audit Actions Quarter 1 2022-2023**  
**Update**  
**File No:**            I2022/1556

**Committee Recommendation:**

**That the Audit Risk and Improvement Committee receive an updated version of this report at the meeting in February** (Hunter/Swivel)

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

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### FOR INFORMATION ONLY

The following reports were provided to the Audit, Risk and Improvement Committee for information:

**7.1 Annual Legislative Compliance Status Report 2021-2022**  
**File No:** I2022/1314

**7.2 Status of Council Policies 2021-2022**  
**File No:** I2022/1438

**7.3 Delegation of Functions 2022**  
**File No:** I2022/1461

**7.4 Operational Plan 2022/23 Quarter 1 Report - to 30 September 2022**  
**File No:** I2022/1515

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*There being no further business the meeting concluded at 1:35PM.*