

Minutes of Meeting

Audit, Risk and Improvement Committee Meeting

Venue	Conference Room, Station Street, Mullumbimby
Date	Thursday, 16 February 2023
Time	11.30am



BYRON
SHIRE
COUNCIL

BYRON SHIRE COUNCIL

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES 16 FEBRUARY 2023

Minutes of the Audit, Risk and Improvement Committee Meeting held on Thursday, 16 February 2023

File No: I2023/198

PRESENT: Cr A Hunter, Cr S Swivel

Independent Members: Michael Georghiou (Chairperson)
Bernard Grinberg

Staff: Mark Arnold (General Manager)
Esmeralda Davis (Director Corporate and Community Services)
James Brickley (Manager Finance)
Colin Baker (Manager Business Systems and Technology)
Mila Jones (Governance and Internal Audit Coordinator)
Kylie Grainey (Business Improvement Officer)
Amber Crane Evans / Storm Townsend (Minute takers)

Other Attendees: Jarrod Lean (Grant Thornton) [Virtual]
Adam Bradfield (Thomas Noble and Russell)

Michael Georghiou (Chair) opened the meeting at 11:34AM and acknowledged that the meeting was being held on Bundjalung Country.

ATTENDANCE VIA AUDIO-VISUAL LINK:

Jarrod Lean (Grant Thornton), Heather Sills (Manager Corporate and Community Services) and Amber Watt (Strategic Risk Coordinator) attended via Audio-Visual Link.

APOLOGIES:

Patrick 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 17 November 2022**
File No: I2022/1902

Committee Recommendation:

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 17 November 2022 be confirmed. (Georghiou/Hunter)

The recommendation was put to the vote and declared carried.

Note: The minutes of the meeting held on 17 November 2022 were noted, and the Committee Recommendations adopted by Council, at the Ordinary Meeting held on 15 December 2022.

BUSINESS ARISING FROM PREVIOUS MINUTES

There was no business arising from previous minutes.

STAFF REPORTS - CORPORATE AND COMMUNITY SERVICES

Report No. 4.1 **ARIC Self Assessment 2022**
File No: I2023/91

Committee Recommendation:

That the Audit, Risk and Improvement Committee notes this report and that the Chair work with the General Manager to address any issues identified in the self-assessment questionnaire shown at Attachment 1 (E2023/8423).

(Grinberg/Georghiou)

The recommendation was put to the vote and declared carried.

Cr Swivel joined the meeting at 11:44AM.

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Report No. 4.2 **Internal Audit Charter**
File No: I2023/119

Committee Recommendation:

That the matter be deferred to a subsequent meeting. (Georghiou/Hunter)

The recommendation was put to the vote and declared carried.

Report No. 4.3 **Policies for review: Risk Management Policy and Fraud and Corruption Control Policy**
File No: I2022/1903

Committee Recommendation:

That the Risk Management Policy 2023 and Fraud and Corruption Control Policy 2023 be deferred and a further report be brought to a subsequent meeting to provide information relating to environmental risks and include performance benchmarks in all areas of risk, fraud and corruption in the management of Council's activities to keep a focus on performance.

The recommendation was to put the vote and declared carried.

(The vote on this recommendation was not held at the meeting. Votes were subsequently provided by email following the meeting.)

Report No. 4.4 **Internal Audit Plan 2023-2024 - Detailed version**
File No: I2023/63

Committee Recommendation:

That the Audit, Risk and Improvement Committee endorses the scope of the audits to be undertaken in 2023-2024 as contained in the attached Internal Audit Plan (Attachment 1 E2023/8002) with the below amendments to the timetable:

	FY24
Q1	Developer contributions
Q2	Disaster recovery and planning
Q3	Waste management
Q4	WHS

(Grinberg/Georghiou)

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 2 2022-2023 including Plant and Fleet Review and Corporate Cards Review

1. That pursuant to Section 10A(2)(d)i of the Local Government Act, 1993, The Audit, Risk and Improvement Committee move into Confidential Session to discuss the report Internal Audit Report Quarter 2 2022-2023 including Plant and Fleet Review and Corporate Cards Review.
2. That the reasons for closing the meeting to consider this item is 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
3. That on balance it is considered that receipt and discussion of the matter in open session would be contrary to the public interest, as the nature and content of internal audit reports is for operational purposes.

Report No. 5.2 CONFIDENTIAL - 2022 Year End Management Letter

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 2022 Year End Management Letter.
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. 5.3 CONFIDENTIAL - Cyber Security and IT System Outages Quarterly Update

1. That pursuant to Section 10A(2)(f) of the Local Government Act, 1993, Council resolves 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. 5.1 **CONFIDENTIAL - Internal Audit Report Quarter 2 2022-2023 including Plant and Fleet Review and Corporate Cards Review**
File No: I2022/1906

Committee Recommendation:

That the Audit, Risk and Improvement Committee:

1. **Notes the Internal Auditors Summary of Internal Audit Recommendations for Quarter 2 2022-2023 at Attachment 1 (E2023/7733).**
2. **Endorses the recommendations from the Executive Team to close off seven internal audit recommendations from Quarter 2 2022-2023 as listed in Table 1 of this report (a summary from Attachment 2 E2023/3535).**
3. **Endorses that Management implement the recommendations made in the:**
 - a) **Internal Audit of Plant and Fleet (December 2022) (Attachment 3 E2022/127137).**
 - b) **Internal Audit of Corporate Cards (December 2022) (Attachment 4 E2022/126217).** (Georghiou/Hunter)

The recommendation was put to the vote and declared carried.

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Report No. 5.2 **CONFIDENTIAL - 2022 Year End Management Letter**
File No: I2023/123

Committee Recommendation:

That the comments provided by Management in response to issues raised in the 2022 Year End Audit Management Letter (#E2023/10387) be noted by Council and the Audit, Risk and Improvement Committee. (Georghiou/Hunter)

The recommendation was put to the vote and declared carried.

Report No. 5.3 **CONFIDENTIAL - Cyber Security and IT System Outages**
File No: **Quarterly Update**
I2023/4

Committee Recommendation:

That the Audit Risk and Improvement Committee notes the report. Georghiou/Hunter)

The recommendation was put to the vote and declared carried.

PROCEDURAL MOTION

That the meeting move out of confidential session.

FOR INFORMATION ONLY

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

Report No. 7.1 **Delivery Program 6-monthly Report and Operational Plan**
File No: **2022/23 Quarter 2 Report - to 31 December 2022**
I2023/134

Report No. 7.2 **External Audit of Development Applications: Assessment and**
File No: **Determination Stages**
I2022/1909

OTHER BUSINESS

The Chair requested a list of major projects and an outline of the reporting format.

There being no further business the meeting concluded at 1:43PM.
