

MINUTES OF AUDIT, RISK AND IMPROVEMENT COMMITTEE HELD ON THURSDAY, 18 JUNE 2020 REMOTELY VIA ZOOM

Committee Members: Stephen Coates - External Independent Member – Chairperson
Brian Hrnjak - External Independent Member
Councillor Sam Ngai
Councillor Martin Smith

Also Present: John McKee - General Manager
George Bounassif – Director Operations
David Marshall – Director Corporate
Andrew Watson – Director Strategy and Environment
Angela Apostol – Manager Finance
Geoffrey Douglas -Group Lead Major Projects
Jennie Keato - Manager People & Culture
Michael Wearne - Manager Governance and Corporate Strategy
Jo Zhu – Acting Team Leader Corporate Risk and Assurance
Jessica Tam – Insurance Officer

Susan Leahy – Head of Internal Audit Shared Service
Ash Pather – External Auditor Crowe Horwath
Chariee Bultitude - Audit Office

Observers Mayor Jennifer Anderson

Apologies: Nil

The Meeting commenced at 5:01 PM

DECLARATIONS OF INTEREST

Susan Leahy has been appointed as a Director of the Institute of Internal Auditors, noting that Stephen Coates is the President.

CONFIRMATION OF MINUTES

AC70 **Minutes of Audit, Risk and Improvement Committee**
File: CY00458/8
Meeting held 12 March 2020
Minutes numbered AC57 to AC69

The Committee Recommends:

(Moved: External Independent Member Hrnjak/Councillor Ngai)

Action Item:

That Minutes numbered AC57 to AC69 circulated to the Committee were taken as read and confirmed as an accurate record of the proceedings of the Meeting.

GENERAL BUSINESS

AC71 Outstanding Action Schedule

File: CY00458/8

Vide: GB.1

To provide the Audit & Risk Committee with details of outstanding actions from previous meetings.

The Committee Recommends:

(Moved: Councillor Smith/ External Independent Member Hrnjak)

1. That the report and its contents be received and noted.
2. That the commencement time for the meeting on 10 September be moved to 5pm.

AC72 LVH Quarterly Update

File: S12165-1-6

Vide: GB.2

To update the Committee on the Lindfield Village Hub Project during the reporting period.

The Committee Recommends:

(Moved: External Independent Member Hrnjak/Councillor Smith)

That the Committee receives and notes this report.

AC73 Risk Management Update

File: CY00458/8

Vide: GB.3

To update the Audit Risk and Improvement Committee on the recent developments and key indicators of Council's portfolios across Enterprise Risk Management (ERM), Public Liability and Worker's Compensation for the current reporting period 1/3/2030 to 15/05/2020.

The Committee Recommends:

(Moved: Councillors Ngai/Smith)

The report is received and noted with key developments and initiatives in ERM, Insurance and WHS, **Fraud Corruption Policy and BCP** acknowledged.

AC74 **Compliance and Reporting Requirements March 2020 - May 2020**

File: S11015

Vide: GB.4

To provide the Audit, Risk and Improvement Committee with a summary of actions taken in the past quarter against compliance and reporting requirements set out by the Office of Local Government.

The Committee Recommends:

(Moved: Councillor Ngai/External Independent Member Hrnjak)

That the Committee receives and notes the report.

AC75 **GIPAA, PPIPA and HRIPA statistics March 2020 - May 2020**

File: CY00458/8

Vide: GB.5

To provide the Audit, Risk and Improvement Committee with a summary of Council's actions in response to applications received under the *Government Information (Public Access) Act 2009* (GIPA Act), *Privacy and Personal Information Protection Act 1998* (PPIP Act) and *Health Records and Information Privacy Act 2002* (HRIP Act) for the reporting period March 2020 – June 2020.

The Committee Recommends:

(Moved: Councillor Ngai/External Independent Member Hrnjak)

That the Committee receive and note the report.

AC76 **Summary of Relevant Circulars, Legislative Updates and Matters Arising - March 2020 - May 2020**

File: S11015

Vide: GB.6

To provide the Audit, Risk and Improvement Committee with a summary of Council's actions in response to relevant circulars, legislative updates and other matters arising that impact the local government sector.

The Committee Recommends:

(Moved: Councillors Smith/Ngai)

That the Committee receives and notes the report.

AC77 **Internal Audit Plan and Status Report**

File: CY00578/3-2

Vide: GB.7

To update the Committee on the resourcing and work of the internal audit function, including the status of the internal audit plan.

The Committee Recommends:

(Moved: Councillor Smith/External Independent Member Hrnjak)

1. That the report be received and noted.
2. That the status of the 2020 internal audit plan be received and noted.
3. That the high level Covid-19 ICAC corruption risk review be received, noting the following:
 - A further review of the risks identified in the report will be completed as part of those audits already scheduled in the 2020 internal audit plan i.e. contract management, purchasing, privacy and information awareness. The scope of these audits will comprise reviewing systems and processes during the audit period when Covid-19 was prevalent.
 - Suggestions for areas where communication to staff to heighten awareness have been made.

AC78 **Review Of Audit, Risk & Improvement Committee Effectiveness - Survey Results**

File: CY00578/3-2

Vide: GB.8

To provide the Committee with the results of the recently completed survey of the internal audit function.

The Committee Recommends:

(Moved: External Independent Member Coates/Councillor Smith)

That the report and survey results be received and noted that the ARIC is operating in an efficient and effective manner.

AC79 **Internal Audit Survey Results**

File: CY00578/3-2

Vide: GB.9

To provide the Committee with the results of the recently completed survey of the internal audit function.

The Committee Recommends:

(Moved: External Independent Members Coates/Hrnjak)

That the report and survey results be received and noted that the internal audit function is operating effectively and to the satisfaction of the ARIC and senior Council management.

AC80 **Status of Outstanding Internal Audit Recommendations**

File: CY00578/3-2

Vide: GB.10

Report on the progress of previous internal audit recommendations made.

The Committee Recommends:

(Moved: Councillors Ngai/Smith)

That this report and attached listing of past internal audit recommendations be received and noted.

AC81 **Audit Engagement Plan for the year ending 30 June 2020**

File: FY00259/12

Vide: GB.11

To present the Annual Engagement Plan (AEP) for the audit of Ku-ring-gai Council financial statements for the year ending 30 June 2020.

The Committee Recommends:

(Moved: Councillor Smith/External Independent Member Hrnjak)

That ARIC note the Annual Engagement Plan **and the interim phase of the audit** for the Ku-ring-gai Council financial statements for the year ending 30 June 2020.

AC82 **Draft Annual Budget 2020/21 and Long Term Financial Plan 2020 2030 - Highlights**

File: S09113/10
Vide: GB.12

To provide highlights of the Annual Budget 2020/21 and the 10 year Long Term Financial Plan 2020 - 2030.

The Committee Recommends:
(Moved: Councillors Ngai/Smith)

That ARIC notes the highlights of the Draft Annual Budget 2020/21 and the 10 year Long Term Financial Plan 2020 – 2030 **and the COVID-19 Financial impacts.**

OTHER BUSINESS

Nil

The Meeting closed at 6:49 PM