

MINUTES OF AUDIT, RISK AND IMPROVEMENT COMMITTEE HELD ON THURSDAY, 27 JUNE 2019

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
David Marshall – Director Corporate
Mark Shaw – Acting Director Operations
Geoffrey Douglas – Group Lead Major Projects
Angela Apostol - Manager Finance
Jennie Keato - Manager People & Culture
John Giovinazzo – Manager Information Management
Peter Doyle –Acting Manager Records and Governance
Rod Kidd – Team Leader – Corporate Risk & Assurance
Jo Zhu – Risk Officer
Susan Leahy – Head of Internal Audit (Shared Service)
Ash Pather– External Auditor, Crowe Horwath
Louise Parkes – Voice Project

Observers: Councillor Jennifer Anderson (Mayor)
Councillor Cr Christine Kay

Apologies: Audit Office representative

The Meeting commenced at 5:00 PM

DECLARATIONS OF INTEREST

Nil

CONFIRMATION OF MINUTES

AC17 **Minutes of Audit, Risk and Improvement Committee**
File: CY00458/7
Meeting held 4 April 2019
Minutes numbered AC01 to AC16

The Committee Recommends:

That Minutes numbered AC01 to AC16 circulated to the Committee were taken as read and confirmed as an accurate record of the proceedings of the Meeting

ADOPTED

GENERAL BUSINESS

AC18 Outstanding Action Schedule

File: CY00458/7

Vide: GB.1

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

THE COMMITTEE RECOMMENDS:

That the report be received and noted.

Employee Opinion Survey Results - Presentation

There were no recommendations arising from the presentation.

IT Penetration Testing - Presentation

There were no recommendations arising from the presentation.

AC19 Interim Audit Management Letter for the year ending 30 June 2019

File: FY00513/9

Vide: GB.2

To present to the Audit, Risk and Improvement Committee issues raised in the external Audit Management Letter for the Interim Audit.

THE COMMITTEE RECOMMENDS:

The Management Letter on the interim phase of the Audit for the year ending 30 June 2019 be received and noted by the Audit, Risk and Improvement Committee.

AC20 Lindfield Village Hub Project - Update

File: S12165-1-6

Vide: GB.3

To update the Committee on the Lindfield Village Hub Project

THE COMMITTEE RECOMMENDS:

That the committee receives and notes this report.

That section 3.2 of Attachment A be updated to correct anomalies in the descriptions of Likelihood and Seriousness between the text and the table.

AC21 **Risk Management Update**

File: CY00458/7

Vide: GB.4

To update the Audit Risk and Improvement Committee on the recent development and progress made on agreed actions per Enterprise Risk Management (ERM) program and initiatives for the reporting period 1/3/19 to 31/5/19.

THE COMMITTEE RECOMMENDS:

That the report be received with key risk developments and initiatives acknowledged.

That a future report includes a comparison of claims by year.

AC22 **Compliance and Reporting Requirements April 2019 - June 2019**

File: S11015

Vide: GB.5

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:

That the Committee receives and notes the report.

AC23 **GIPA, PPIPA and HRIPA statistics
April 2019 - June 2019**

File: S11015

Vide: GB.6

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, Privacy and Personal Information Protection Act 1998 and Health Records and Privacy Act 2002.

THE COMMITTEE RECOMMENDS:

That the Committee receive and note the report.

AC24 Summary of Relevant Circulars, Legislative Updates and Matters Arising - April 2019 - June 2019

File: S11015

Vide: GB.7

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:

That the Committee receives and notes the report.

AC25 Review of Audit, Risk & Improvement Committee Charter

File: CY00578/2-2

Vide: GB.8

The Audit, Risk & improvement Committee (ARIC) Charter sets out the role, responsibilities and structure of the ARIC Committee. The charter was last reviewed in 2013 and generally requires a review every 2 years.

THE COMMITTEE RECOMMENDS:

That the proposed changes highlighted in the attached ARIC charter be received and endorsed with a further review to be conducted when ARIC standards are mandated under local government legislation, expected to occur in late 2019, subject to the following modifications:

- Clause 3.2
 - Add "Mayor and Councillors"
 - Delete separate identification of all staff other than General Manager and Head of Internal Audit
 - Add "Other staff as requested by the General Manager"
- Clause 3.3 – delete this entire clause.
- Clause 4.7 – in the 5th dot point, replace the word "attendee" with "the General Manager".
- Clause 4.8 iii) – delete the comma prior to "General Manager" and add a comma after General Manager".
- Clause 4.10 – replace the word "so" with "with the intent" as follows in the last sentence "... with the intent that there are always two independent external members on the committee".

- Clause 7 – in each dot point replace the word “financial year” with “calendar year”.
- Clause 9.2 – replace “Chief Financial Officer” with “Responsible Accounting Officer”.

AC26 **Internal Audit Plan and Status Report**

File: CY00578/2-2

Vide: GB.9

To update the Committee on the work of the internal audit function completed since the last meeting and to provide a status of Ku-ring-gai Council’s internal audit plan.

THE COMMITTEE RECOMMENDS:

That the report including the internal audit plan for 2019 be received and endorsed.

AC27 **Summary of the status of previous Internal and External Audit Recommendations**

File: CY00578/2-2

Vide: GB.10

Report on the progress of previous internal and external audit recommendations made.

THE COMMITTEE RECOMMENDS:

That the report and attached listings of both past internal and external audit recommendations be received and noted.

AC28 **Risk Based Internal Audit Planning**

File: CY00578/2-2

Vide: GB.11

To provide an overview of Internal Audit’s approach towards a risk based internal audit plan

THE COMMITTEE RECOMMENDS:

1. The report be received and it be specifically noted that.

i) When preparing the 2020 Internal Audit Plan for both Ku-ring-gai Council and the shared service, mapping of the plan to the Risk Register is provided

ii) Risk management updates are a standing agenda item for ARIC meetings as reflected in the updated Annual Agenda (Attachment 1)

OTHER BUSINESS

Nil

The Meeting closed at 6:51pm