

MINUTES OF AUDIT, RISK AND IMPROVEMENT COMMITTEE HELD ON THURSDAY, 4 APRIL 2019

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

Also Present: John McKee - General Manager
David Marshall – Director Corporate
George Bounassif – Director Operations
Geoffrey Douglas – Group Lead Major Projects
Angela Apostol - Manager Finance
Jennie Keato - Manager People & Culture
Amber Moloney – Manager Records and Governance
Peter Doyle – Incoming 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
Penelope Corkill - Centium

Observers: Councillor Cr Christine Kay

Apologies: Councillor Martin Smith

The Meeting commenced at 5:00 PM

DECLARATIONS OF INTEREST

Nil

CONFIRMATION OF MINUTES

AC01 **Minutes of Audit, Risk and Improvement Committee**
File: CY00458/7
Meeting held 6 December 2018
Minutes numbered AC201 to AC210

The Committee Recommends:

Action Item:

That Minutes numbered AC201 to AC210 circulated to the Committee were taken as read and confirmed as an accurate record of the proceedings of the Meeting.

GENERAL BUSINESS

AC02 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 and its contents be received and noted.

AC03 Internal Audit Plan & Status Report

File: CY00578/2-1

Vide: GB.2

To update the Committee on the progress of the Internal Audit shared service in Council and the work it has completed.

The Committee Recommends:

- A. The report including the Internal Audit Plan for 2019 be received and noted.
- B. The revised Annual Audit, Risk & Improvement Committee Agenda be received and endorsed.
- C. The current Charter of the Audit & Risk Committee be reviewed and updated to reflect the revised title of the Committee and align with the standards provided by the office of Local Government, the Institute of Internal Auditors and other authoritative sources.

AC04 Completed Internal Audit Reports

File: CY00578/2-1

Vide: GB.3

To provide the Committee with the results of an audit completed in the period since the last Committee meeting.

The Committee Recommends:

That the following internal audit reports be received and noted:

1. Complaint Management

2. Data Audit- Accounts Payable

AC05 **Summary Of The Status of Previous Audit Recommendations**

File: CY00578/2-1

Vide: GB.4

To provide the Committee with updated information on the implementation of recommendations contained in previously completed Internal and External Audit reports.

The Committee Recommends:

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

AC06 **Risk Management Update**

File: CY00458/7

Vide: GB.5

To update the Audit Risk and Improvement Committee on the progress and actions undertaken on the Enterprise Risk Management (ERM) program, risk management system and related projects and activities.

The Committee Recommends:

- a) That the report be received and noted.
- b) That the ARIC annual agenda include a risk management update report to each meeting
- c) That the audit plan be mapped against risks in the risk register.

AC07 **Lindfield Village Hub - Risk Update**

File: S12165-1-6

Vide: GB.6

To update the Committee on the Lindfield Village Hub Project

The Committee Recommends:

- A. That the committee receives and notes this report.
- B. That the Lindfield Village Hub project probity auditor be advised that there is

a reporting avenue to the ARIC if they believe significant matters have not been addressed through other channels.

AC08 **Audit Risk & Improvement Committee
2019 Meeting Dates**

File: CY00458/7
Vide: GB.7

To provide the Committee with an overview of the proposed meeting dates for 2019.

The Committee Recommends:

That the Committee receives and notes this report, subject to changes to the dates of the June and September meetings.

AC09 **Audit Engagement Plan for the year ending 30 June 2019**

File: FY00513/9
Vide: GB.8

To present the Annual Engagement Plan (AEP) for the audit of Ku-ring-gai Council financial statements for the year ending 30 June 2019.

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

That ARIC note the Annual Engagement Plan for the audit of Ku-ring-gai Council financial statements for the year ending 30 June 2019.

AC10 **Investment Report as at 28 February 2019**

File: FY00623
Vide: GB.9

To present Council's investment portfolio performance for February 2019.

The Committee Recommends:

That the summary of investments and performance for February 2019 be received and noted by the Audit & Risk Committee.

AC11 **Compliance and Reporting Requirements December 2018 - March 2019**

File: S11015

Vide: GB.10

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: Councillors Ngai/Hrnjak)

That the Committee receives and notes the report.

AC12 **Summary of Relevant Circulars, Legislative Updates and Matters Arising - December 2018 - March 2019**

File: S11015

Vide: GB.11

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.

AC13 **GIPA, PPIPA and HRIPA statistics December 2018 - March 2019**

File: S11015

Vide: GB.12

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 receives and notes the report.

AC14 **Workplace Health & Safety Performance**

File: CY00458/7

Vide: GB. 13

To provide the Audit, Risk & Improvement Committee with an overview of Council's WHS Performance.

The Committee Recommends:

That the report be received and noted.

AC15 **Complaints and Compliments**

File: CY00458/7

Vide: GB. 14

To update the Audit and Risk Committee on activities relating to complaints and compliments received by Council during the period 1/12/18 to 28/2/19

The Committee Recommends:

That the report be received and noted.

AC16 **RFQ5-2019 - Investment Advisory Services**

File: FY00623

Vide: C.1

In accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2)(d)(i), of the Act, and should be dealt with in a part of the meeting closed to the public.

Section 10A(2)(d) of the Act permits the meeting to be closed to the public for business relating to commercial information of a confidential nature that would, if disclosed:

- (i) prejudice the commercial position of the person who supplied it, or
- (ii) confer a commercial advantage on a competitor of Council, or
- (iii) reveal a trade secret.

This matter is classified confidential under section 10A(2)(d)(i) because

it deals with tenders. Tender details, should they be revealed, may result in commercial disadvantage to parties involved in the tender process. Some information provided to Council by tenderers is provided on the basis that Council will treat it as commercial in confidence.

It is not in the public interest to reveal details of these tenders or the assessment process. Tenderers have provided sensitive information about their operations in the confidence that their details will not be made public by Council. The practice of publication of sensitive information provided by tenderers could result in the withholding of such information by tenderers and reduction in the provision of information relevant to Council's decision.

Report by Director Corporate dated 13 March 2019

The Committee Recommends:

That ARIC note the recommendation to appoint CPG Research & Advisory Pty Limited to provide investment advisory services.

OTHER BUSINESS

Nil

The Meeting closed at 6:55pm