

## **7.1. Audit, Risk and Improvement Committee - Minutes 25 June 2021**

**AUTHOR:** Ian Curry, Manager Governance & Committee Services

**ENDORSED BY:** Margaret Palmer, Director Corporate Services

### **ATTACHMENTS:**

1. ARIC Minutes 25 June [7.1.1 - 4 pages]

### **PURPOSE:**

Council is required to consider the Minutes of this Committee under the Code of Meeting Practice.

### **EXECUTIVE SUMMARY:**

This report presents the recommendations of the last meeting of the Audit, Risk and Improvement Committee held on 25 June 2021 for Council adoption. The minutes are attached for information.

### **FINANCIAL IMPLICATIONS:**

Nil.

### **RECOMMENDATION:**

- 1. THAT** the 2021 internal audit plan and resourcing position be received and noted. (4.1)
- 2. THAT** the Internal audit performance survey be received and noted. (4.1)
- 3. THAT** the 2021 internal audit plan and resourcing position be received and noted. (4.2)
- 4. THAT** the Internal audit performance survey be received and noted. (4.2)
- 5. THAT** the 2021 internal audit plan and resourcing position be received and noted. (4.3)
- 6. THAT** the Internal audit performance survey be received and noted. (4.3)
- 7. THAT** the Council Leased Properties update report be deferred until the next Committee meeting and the valuations provided be updated with the figures available at 30 June 2021. (4.4)
- 8. THAT** the progress of the Privacy of Information Audit be noted and the final report be submitted to the October Committee meeting. (GB)
- 9. THAT** the Committee thanks Mr Ross for his assistance and support over many years and wishes him well in his retirement. (GB)

## **LINK TO COMMUNITY STRATEGIC PLAN**

The relationship with the Community Strategic Plan is as follows:

### **5. Our Civic Leadership**

5.2 Council is well governed and customer focused

## **BACKGROUND**

In accordance with Council's Code of Meeting Practice:

*20.24 The minutes of meetings of each Committee of the Council must be confirmed at a subsequent meeting of the committee.*

In accordance with the Audit, Risk & Improvement Committee Charter:

*7. The endorsed Minutes of the Committee Meetings will be submitted to the next available Council meeting for adoption subject to any confidentiality requirements of specific items.*

## **CONSULTATION REQUIREMENTS**

Community engagement is not required.

## **DETAIL**

This report presents the recommendations of the last meeting of the Audit, Risk and Improvement Committee held on 25 June 2021 for Council adoption. The minutes are attached for information.

**NORTH SYDNEY COUNCIL**

**REPORT OF AUDIT, RISK & IMPROVEMENT COMMITTEE**

**SUBJECT: PROCEEDINGS OF COMMITTEE AT MEETING HELD IN THE SUPPER ROOM AT THE COUNCIL CHAMBERS, NORTH SYDNEY, ON 25 JUNE 2021 AT 10.00AM.**

**PRESENT**

*Prior to the start of this meeting, the Committee met at an in camera session with Ms Leahy, Head of Internal Audit North Shore Councils.*

Brian Hrnjak, Independent Chair and Ron Switzer, Independent Member  
Councillors Barbour and Mutton

With the exception of Councillor Barbour, all Committee members attended remotely via Zoom.

**Council Staff:** Margaret Palmer, Director Corporate Services  
Garry Ross, Manager Financial Services  
John Thomson, Risk & Contracts Manager  
Ian Curry, Manager Governance and Committee Services

**Visitors:** Susan Leahy, Head of Internal Audit North Shore Councils  
Alex Hardy, Prosperity Advisers Group

**Apologies:**  
Ken Gouldthorp                      General Manager

**1.                      Declarations of Interest**

Nil

**2.                      Minutes**

The Minutes of the previous meeting held on 26 March 2021, copies of which had been previously circulated, were taken as read and confirmed. Mr Hrnjak noted that the Committee met at an in camera session with Ms Leahy, Head of Internal Audit North Shore Councils prior to this meeting.

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*This is Page No 1 of the Minutes of the Audit, Risk & Improvement Committee Meeting of the North Sydney Council held on 25 June 2021.*

**3. 4.1: Interim Management Letter – June 2021**

Report of Garry Ross, Manager Financial Services

The Audit Office of NSW has completed the interim phase of its audit for the year ended 30 June 2021. The attached letter outlines:

- matters of governance interest the Audit Office identified during the current audit
- unresolved matters identified during previous audits
- matters the Audit Office is required to communicate under Australian Auditing Standards.

No new issues have been identified and two prior year issues remain unresolved. Council has provided the Audit Office responses to these issues, however at the time this report was prepared the final management letter had not been distributed. The comments that relate to the issues are as follows

**Recommending:**

1. **THAT** the 2021 internal audit plan and resourcing position be received and noted.
2. **THAT** the Internal audit performance survey be received and noted

**Resolved to recommend:**

1. **THAT** the 2021 internal audit plan and resourcing position be received and noted.
2. **THAT** the Internal audit performance survey be received and noted

Voting was unanimous

10.27am Cr Mutton retired from the meeting.

10.28am Alex Hardy left the meeting.

**4. 4.2: Internal Audit Status Report**

Report of Susan Leahy, Head of Internal Audit

This report provides a status on the Internal Audit Function in terms of resources, planned and completed audits.

**Recommending:**

1. **THAT** the 2021 internal audit plan and resourcing position be received and noted.
2. **THAT** the Internal audit performance survey be received and noted

**Resolved to recommend:**

1. **THAT** the 2021 internal audit plan and resourcing position be received and noted.
2. **THAT** the Internal audit performance survey be received and noted.

Voting was unanimous

**5. 4.3: Internal Audit Recommendations Status Report**

Report of Susan Leahy, Head of Internal Audit

This report provides a status on the Internal Audit Function in terms of resources, planned and completed audits.

**Recommending:**

1. **THAT** the 2021 internal audit plan and resourcing position be received and noted.
2. **THAT** the Internal audit performance survey be received and noted.

**Resolved to recommend:**

1. **THAT** the 2021 internal audit plan and resourcing position be received and noted.
2. **THAT** the Internal audit performance survey be received and noted.

Voting was unanimous

6. **4.4: Council Leased Properties Update**

Report of Daniel Peacock, Assets and Taxation Accountant

At the Audit, Risk and Improvement Committee (ARIC) meeting of 2 October 2020, following a previous request from Councillor Mutton a report was presented, which detailed:

- All Council “owned” Property that is leased or available to lease.
- With respect to each property, the date and quantum of the last valuation.
- As regards each property that is leased, the date and term of the lease; and the quantum of the rent payable.
- As regards each property that is not presently leased, the date it became vacant.

At the Council meeting of 26 October 2020, the minutes of the ARIC were reported and a further request for information was sort by Councillor Mutton. The following resolution was noted:

*With respect to each property, the valuation for each of the previous three years be presented.*

This report addresses the request for the additional information and provides a detailed summary of the current reported position of Council’s rental properties.

**Recommending:**

1. **THAT** the Council Leased Properties update report be noted.

**Resolved to recommend:**

1. **THAT** the Council Leased Properties update report be deferred until the next Committee meeting and the valuations provided be updated with the figures available at 30 June 2021.

Voting was unanimous

## General Business

**Privacy of Information Audit**

Ms Leahy gave a verbal update to Committee on the progress of this Audit.

Mr Ross advised that Maddocks had been engaged to conduct an audit on a privacy aspect of Council’s operations and advised Ms Leahy to liaise with Council’s Manager Customer Services, Ian Robertson regarding the recommendations made.

**Resolved to recommend:**

1. **THAT** the progress of the Privacy of Information Audit be noted and the final report be submitted to the October Committee meeting.

Voting was unanimous

**Internal Audit Association training course, 25 June 2021**

Ms Palmer provided a verbal report on this training, which she attended on behalf of Council.

Details of the matters raised at the course will be distributed separately to the Committee members.

**Richmond Valley Council v JLT – class action**

Mr Ross provided a verbal report on this matter.

He has provided insurance figures for the General Manager and Council is adopting a wait and see approach.

**Mr Garry Ross**

The Chair noted that this would be the last ARIC Meeting attended by Mr Ross due to his imminent retirement.

**Resolved to recommend:**

**1. THAT** the Committee thanks Mr Ross for his assistance and support over many years and wishes him well in his retirement.

Voting was unanimous

The meeting closed at 11.43am.

The next meeting will be held on Friday 8 October 2021 at 10.00am