
**NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 10 APRIL 2024
REPORTS OF COMMITTEES**

1. REPORT OF THE AUDIT RISK AND IMPROVEMENT COMMITTEE

The minutes of the Audit Risk and Improvement Committee Meeting held on 11 March 2024 in the Narromine Shire Council Chambers together with the Risk Management Policy are attached (**See Attachment No. 1**).

RECOMMENDATION

1. That the recommendations from the minutes of the Audit Risk and Improvement Committee Meeting held on 11 March 2024 be adopted.
2. That the Risk Management Policy as presented to Council be adopted.

**MINUTES OF THE NARROMINE SHIRE COUNCIL AUDIT RISK AND IMPROVEMENT
COMMITTEE MEETING HELD IN COUNCIL CHAMBERS ON MONDAY 11 MARCH 2024**

PRESENT: Grahame Marchant (Chair) – Independent External Member, Ross Earl – Independent External Member, Cr Les Lambert NSC, Phil Johnston – Acting General Manager NSC, Barry Bonthuys - Director Finance & Corporate Strategy NSC, Marion Truscott - Director Governance NSC, Ashley Bullock (from 10.41am – 11.57am) and Sally McDonnell (Minute Taker)

Via Teams – Liz Jeremy – Independent External Member, Paul Quealey – Lambourne Partners , Tracy Wang – Audit Office of NSW, Renee Meimaroglou – Audit Office of NSW

1. WELCOME AND APOLOGIES

The Chair welcomed everyone to the Narromine Shire Council Audit Risk and Improvement Committee meeting and declared the meeting open at 10.01am.

The Chair noted the apology of Cr Hoey.

2. DISCLOSURES OF INTEREST

Nil

Liz Jeremy joined the meeting at 10.02am.

The Chair welcomed Liz Jeremy as the new Independent Member to the Committee.

3. CONFIRMATION OF PREVIOUS MINUTES – 10 NOVEMBER 2023

RECOMMENDED Ross Earl/Liz Jeremy that the Minutes of the Narromine Shire Council Audit Risk and Improvement Committee Meeting held on 10 November 2023 be adopted as a true and correct record of the meeting.

4. INTERNAL AUDIT

4.1 Current Audits (update from Internal Auditor)

Paul Quealey – Lambourne Partners provided comment to the Committee in relation to the Internal Audits conducted in January being Development Applications and Consents along with Staff Attraction and Retention.

It was noted that the reports for these audits have been completed and issued to Council Executives for comment. The final reports will be presented to the next meeting.

4.2 2024 Internal Audit Plan – Upcoming Audits

RECOMMENDED Ross Earl/Liz Jeremy that the 2024 Internal Audit Plan include the audits of Payroll and Customer Requests and Service with a view to including a further audit area thereafter.

Paul Quealey – Lambourne Partners left the meeting at 10.20am

5. EXTERNAL AUDIT

5.1 Y/E 24 Annual Engagement Audit Plan

RECOMMENDED Ross Earl/Liz Jeremy note the Annual Engagement Plan, and that it covers expected audit areas in accordance with legislative requirements.

6. RISK MANAGEMENT

Ashley Bullock - WHS and Risk Coordinator joined the meeting at 10.41am

6.1 Risk Management Framework Review

Director Governance provided an overview of the risk management framework.

It was noted that on page 2 of the Risk Management Policy, under Scope, that Elected be removed and for it to read 'Officials of Councils'.

It was noted that a progress report on the updated BCP requirements, along with movement in residual risk, be added to the work plan.

RECOMMENDED Ross Earl/Liz Jeremy;

1. That the Committee note the report and Committee endorses the adequacy and effectiveness of Council's Risk Management Framework.
2. That the Committee endorses the effectiveness of Council's Business Continuity Plan and Sub-Plans and note the testing of the plan.
3. That the Audit Committee Work Plan include pre-event preparedness and actions listed in the BCP.

Tracy Wang – Audit Office of NSW and Renee Meimaroglou – Audit Office of NSW left the meeting at 11.18am

6.2 Project Management

The Acting General Manager provided an update on Project Management.

It was noted that a report be presented to the Committee with an overview on the status of projects from the Pulse Project Management system.

RECOMMENDED Liz Jeremy/Ross Earl;

1. That the Committee note the report and endorse Council's approach in developing risk management plans for major projects or undertakings.
2. Future report on the project management system and an overview on the status of projects from the Pulse system.

6.3 Work Health and Safety Self Audit Report 2023

Ashley Bullock provided an overview of the Work Health and Safety Self Audit Report noting that our scores have been quite high in previous years.

RECOMMENDED Ross Earl/Liz Jeremy;

1. That the Committee notes the report regarding Council's risk management approach to Work Health and Safety risks and its impact on Council's workers compensation insurance premiums.
2. Add to the workplan, an update to the progress of the implementation of the action plan.

7. INTERNAL CONTROLS

7.1 Implementation of Recommendations/Corrective Actions

RECOMMENDED Ross Earl/Liz Jeremy that the information be noted in relation to the progress with implementation of the Committee's recommendations.

Ashley Bullock - WHS and Risk Coordinator left the meeting at 11.57am

8. COMPLIANCE

Nil

9. FRAUD AND CORRUPTION

Nil

10. FINANCIAL MANAGEMENT

10.1 Quarterly Budget Review Statement as at 31 December 2023

Director Finance and Corporate Strategy provided an overview of Quarterly Budget Review.

RECOMMENDED Ross Earl/Liz Jeremy that the Committee note the report and certification from the Responsible Accounting Officer regarding Council's position at year end.

11. GOVERNANCE

11.1 Office of Local Government Circulars

RECOMMENDED Liz Jeremy/Ross Earl that the Committee notes the Council's progress with the implementation of the Office of Local Government Circulars.

11.2 Audit Risk and Improvement Committee Annual Workplan

RECOMMENDED Liz Jeremy/Ross Earl that the Audit Risk and Improvement Committee Annual Workplan and Annual Internal Audit Plan be accepted.

12. STRATEGIC PLANNING

12.1 Delivery Program Progress Report – 1 July 2023 to 31 December 2023

RECOMMENDED Ross Earl/Liz Jeremy that the Committee notes the progress towards the achievement of Council's Delivery Program activities from 1 July 2023 to 31 December 2023.

13. SERVICE REVIEWS AND BUSINESS IMPROVEMENT

Nil

14. PERFORMANCE DATA AND MEASUREMENT

Office of Local Government comparative data to be presented to the next meeting.

15. GENERAL BUSINESS

Nil

16. CONFIRMATION OF DATE OF NEXT MEETING

The next Audit Risk and Improvement Committee meeting will be held on Monday, 17 June 2024 commencing at 10.00am.

17. CONCLUSION OF MEETING

The Chair thanked all members for attending.

There being no further business the meeting concluded at 12.21pm.

The Minutes (pages 1 to 4) were confirmed at a meeting held on the day of _____ 2024, and are a full and accurate record of proceedings of the meeting held on 11 March 2024.

CHAIR



RISK MANAGEMENT POLICY

Created By:	Governance Department
Adopted Date:	
Version No:	3.0
Review Date:	2 Years

1. PURPOSE

The purpose of this policy is to express Narromine Shire Council's commitment to implementing organisation-wide risk management principles, systems and processes that ensure the consistent, efficient and effective assessment of risk in all Council's planning, decision-making and operational processes.

2. RISK MANAGEMENT FRAMEWORK

Council provides critical services and infrastructure to the residents, ratepayers and visitors to the Narromine Shire Local Government Area. Council also has service agreements and contractual obligations with government and non-government agencies and organisations and has its own strategic goals and objectives that it seeks to achieve on behalf of the Narromine Shire community.

It is therefore incumbent on Council to understand the internal and external risks that may impact the delivery of these services, contracts and strategic objectives and have processes in place to identify, mitigate, manage and monitor these risks to ensure the best outcome for Council, staff and the community. It is also our responsibility to ensure the efficient, effective, and ethical use of resources and services by ratepayers, residents, staff, and visitors.

Council has developed a risk management framework consistent with the *AS/NZS ISO 31000:2018 Risk Management Principles and Guidelines* to assist to identify, treat, monitor and review all risks to its operations and strategic objectives and apply appropriate internal controls.

Council is committed to the principles, framework and process of managing risk as outlined in *AS/NZS ISO 31000:2018 Risk Management Principles and Guidelines* and commits to fully integrating risk management within the Council and applying it to all decision-making, functions, services and activities of the Council in accordance with our statutory requirements.

3. SCOPE

This policy applies to all Officials of Council.

4. RESPONSIBILITIES

Council aims to create a positive risk management culture where risk management is integrated into all everyday activities and managing risks is an integral part of governance, good management practice and decision-making at Council. It is the responsibility of every staff member and business area to observe and implement this Policy and Council's Enterprise Risk Management Framework.

All staff are responsible for identifying and managing risk within their work areas. Key responsibilities include: -

- Being familiar with, and understanding, the principles of risk management
- Complying with all policies, procedures and practices relating to risk management
- Alerting management to risks that exist within their area, and
- Performing any risk management activities assigned to them as part of their daily role.

Risk Management is a core responsibility for all senior staff/management at Council. In addition to their responsibilities as staff members, senior staff/management are responsible for:

- ensuring all staff manage their risks within their own work areas. Risks should be anticipated, and reasonable protective measures taken
- encouraging openness and honesty in the reporting and escalation of risks
- ensuring all staff have the appropriate capability to perform their risk management roles
- reporting to the General Manager on the status of risks and controls, and
- identifying and communicating improvements in Council's risk management practices to Council's WHS and Risk Coordinator.

Council's WHS and Risk Coordinator is available to support staff in undertaking their risk management activities.

To ensure Council is effectively managing its risk and complying with its statutory obligations, Council's Audit, Risk and Improvement Committee and internal audit function is responsible for reviewing Council's:-

- risk management processes and procedures
- risk management strategies for major projects or undertakings
- control environment and insurance arrangements
- business continuity planning arrangements, and
- Fraud Control Policy

5. MONITORING AND REVIEW

Council is committed to continually improving its ability to manage risk. Council will review this policy and its risk management framework biennially to ensure it continues to meet the requirements of the Local Government Act 1993, the Local Government (General) Regulation 2021, and Council's requirements.

6. RELATED DOCUMENTS

Risk Management Plan
Strategic and Operational Risk Registers
Business Continuity Plan and Sub Plans
Code of Conduct and Procedures
Fraud Control Policy