



ORDINARY MEETING OF COUNCIL

To be held at 5pm on

Tuesday 17 October 2017

Council Chambers

11 Manning Street, KIAMA NSW 2533

Order of Business

- 1 Apologies
- 2 Acknowledgement of Traditional owners
- 3 Confirmation of Minutes of Previous Meeting
- 4 Business Arising From The Minutes
- 5 Public Access Summary
- 6 Mayoral Minute
- 7 Minutes of Committees
- 8 Public Access Reports
- 9 Report of the Director Environmental Services
- 10 Report of the General Manager
- 11 Report of the Director Finance, Corporate and Commercial Services
- 12 Report of the Director Engineering and Works
- 13 Report of the Director Community Services
- 14 Reports for Information
- 15 Addendum To Reports
- 16 Notice of Motion
- 17 Questions for future meetings
- 18 Confidential Summary
- 19 Confidential Reports
- 20 Closure

Members

His Worship the Mayor
Councillor M Honey
Councillor K Rice
Deputy Mayor
Councillor M Brown
Councillor N Reilly
Councillor A Sloan
Councillor W Steel
Councillor D Watson
Councillor M Way
Councillor M Westhoff

COUNCIL OF THE MUNICIPALITY OF KIAMA

Council Chambers
11 Manning Street
KIAMA NSW 2533

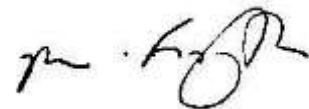
11 October 2017

To the Chairman & Councillors:

NOTICE OF ORDINARY MEETING

You are respectfully requested to attend an **Ordinary Meeting** of the Council of Kiama, to be held in the **Council Chambers 11 Manning Street, KIAMA NSW 2533** on **Tuesday 17 October 2017** commencing at **5pm** for the consideration of the undermentioned business.

Yours faithfully



Michael Forsyth
General Manager

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	APOLOGIES	6
2	ACKNOWLEDGEMENT OF TRADITIONAL OWNERS	6
3	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	7
	3.1 Ordinary Council on 19 September 2017	7
4	BUSINESS ARISING FROM THE MINUTES	34
5	PUBLIC ACCESS SUMMARY	34
6	MAYORAL MINUTE	35
	6.1 Congratulations to Ali Day.....	35
7	MINUTES OF COMMITTEES	36
	7.1 Walking Tracks and Cycleways Committee - Minutes - meeting 13 September 2017	36
	7.2 Blue Haven Advisory Committee - Minutes.....	47
	7.3 Minutes of Kiama Local Traffic Committee Meeting - 3 October 2017	51
8	PUBLIC ACCESS REPORTS	56
	Committee Of The Whole	56
9	REPORT OF THE DIRECTOR ENVIRONMENTAL SERVICES	57
	9.1 10.2016.231.1 - PSEC Project Services Pty Ltd v KMC - Land & Environment Court Appeal against refusal	57
10	REPORT OF THE GENERAL MANAGER	59
	10.1 Request for Donation - Lions Club of Gerringong	59
11	REPORT OF THE DIRECTOR FINANCE, CORPORATE AND COMMERCIAL SERVICES	61
	11.1 Cooke Park Fitness Training Activities.....	61
	11.2 Statement of Investments - September 2017	64
	11.3 Economic Development Committee Meeting Minutes- 26 September 2017	69
	11.4 Audit, Risk and Improvement Committee - External Independent Members - Expressions of Interest.....	74

11.5	Roads & Maritime Services Lease - Corner Terralong Street and Spring Creek Drive, Kiama.....	165
11.6	Interstate Conference - Global Eco Asia-Pacific Tourism Conference	167
12	REPORT OF THE DIRECTOR ENGINEERING AND WORKS	178
	Nil	
13	REPORT OF THE DIRECTOR COMMUNITY SERVICES.....	178
	Nil	
14	REPORTS FOR INFORMATION	179
14.1	Minnamurra Progress Association Inc - Minutes - meeting 5 September 2017	179
14.2	South Precinct Committee - Minutes - meeting 21 September 2017	182
14.3	Better Waste and Recycling Fund 2017-18 Payment	189
14.4	Container Deposit Scheme "Return and Earn"	190
14.5	Building Better Regions Funding success - Kiama - the making of a great place to work rest and play	192
14.6	Youth Advisory Committee - Minutes - meeting 7 September 2017	193
14.7	Cedar Grove Stage 2 - Access	198
14.8	Question for future meeting: shade sail and play equipment upgrade to the playground between Tombonda Drive and Whitton Place, Kiama.....	202
14.9	Cemetery Policy.....	203
14.10	Short Term Holiday Lettings Options Paper	204
14.11	Councillors Meeting Register	206
14.12	Questions for Future Meetings Register as at 9 October 2017	209
14.13	Question for Future Meeting: Community Noticeboard	212
14.14	Conference Attendance Template	213
15	ADDENDUM TO REPORTS	214
16	NOTICE OF MOTION.....	215
16.1	Rescission Motion - Item 9.4 Planning Proposal Iluka Reserve.....	215
16.2	Rescission of Motion - Item 15.2 - Item 9.4 Report to Council Supporting Initial Gateway Consideration of the Planning Proposal for Housekeeping amendments to the Kiama LEP 2011	216
17	QUESTIONS FOR FUTURE MEETINGS.....	217

18	CONFIDENTIAL SUMMARY	217
	18.1 Exclusion Of Press And Public:.....	217
19	CONFIDENTIAL REPORTS.....	218
	19.1 Proposed Land Acquisition	218
	19.2 Kiama Aged Care Centre of Excellence - Funding.....	218
	19.3 Audit, Risk and Improvement Committee - Expressions of Interest.....	218
	19.4 Legal Advice - Albert v Kiama Municipal Council	218
20	CLOSURE	219

**AGENDA FOR THE
ORDINARY MEETING OF KIAMA MUNICIPAL COUNCIL
TUESDAY 17 OCTOBER 2017**

1 APOLOGIES

The apologies be received and accepted from Councillor K Rice for non attendance and leave of absence granted.

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

“On behalf of those present, I would like to show my respect and acknowledge the traditional owners of the Land, of Elders past and present, on which this meeting takes place, and extend that respect to other Aboriginal and Torres Strait Islander people present.”

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 Ordinary Council on 19 September 2017

Attachments

- 1 Ordinary Minutes 19 September 2017 [↓](#)

Enclosures

Nil

RECOMMENDED

That the Minutes of the Ordinary Council Meeting held on 19 September 2017 be received and accepted.



MINUTES OF THE ORDINARY MEETING OF COUNCIL

commencing at 5pm on

TUESDAY 19 SEPTEMBER 2017

Council Chambers
11 Manning Street, KIAMA NSW 2533

Item 3.1

Attachment 1

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

MINUTES OF THE ORDINARY MEETING OF THE COUNCIL OF THE
MUNICIPALITY OF KIAMA HELD IN THE COUNCIL CHAMBERS,
KIAMA, ON TUESDAY 19 SEPTEMBER 2017 AT 5PM

PRESENT: Mayor – Councillor M Honey,
Deputy Mayor – Councillor K Rice,
Councillors N Reilly, A Sloan, W Steel, D Watson, M Way and
M Westhoff

IN ATTENDANCE: General Manager, Acting Director Environmental Services,
Director Finance, Corporate and Commercial Services, Director
Engineering and Works and Director Community Services

1 APOLOGIES

An apology was tendered on behalf of Councillor Brown.

OC-17/144

Resolved that the apology as tendered be accepted.

(Councillors Steel and Sloan)

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Mayor declared the meeting open and acknowledged the traditional owners:

“On behalf of those present, I would like to show my respect and acknowledge the traditional owners of the Land, of Elders past and present, on which this meeting takes place, and extend that respect to other Aboriginal and Torres Strait Islander people present.”

MINUTES OF THE ORDINARY MEETING**19 SEPTEMBER 2017****3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING****3.1 Ordinary Council on 15 August 2017***OC-17/145*

Resolved that the Minutes of the Ordinary Council Meeting held on 15 August 2017 be received and accepted.

(Councillors Watson and Way)

3.2 Extraordinary Council Meeting on 22 August 2017*OC-17/146*

Resolved that the Minutes of the Extraordinary Meeting held on 22 August 2017 be received and accepted.

(Councillors Westhoff and Steel)

4 BUSINESS ARISING FROM THE MINUTES

Nil

5 PUBLIC ACCESS

Jasmine Rapela	Question for Future Meeting: Helium Balloon Release Ban
Tony Hudson	10.2016.306.1 - Lot 5 DP 621070 – 291 Minnamurra Lane, Jamberoo - secondary dwelling
Michael Mundt	10.2016.306.1 - Lot 5 DP 621070 – 291 Minnamurra Lane, Jamberoo - secondary dwelling
Rowan Hollingworth Robyn Hind	DA 10.2017.37.1 – Lot 3 DP 32006 – 3 Gura Street Kiama – Dwelling alterations and additions and carport
Paul Brady Colin Irwin	DA 10.2017.37.1 – Lot 3 DP 32006 – 3 Gura Street Kiama – Dwelling alterations and additions and carport
Greer Fulton	Cooke Park Fitness Training Activities
Michael Thompson	Question for Future Meeting: BMX Track at Minnamurra Quarry
DAVID CONNOLLY	PLANNING PROPOSAL FOR PART OF LOT 34 DP 28122 AND PART OF LOT 243 DP 30200, PART OF ILUKA RESERVE, KIAMA DOWNS

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

6 MAYORAL MINUTE

OC-17/147

Committee recommendation that at this time, 5.01pm, Item 15.3 be brought forward and dealt with.

(Councillors Honey and Steel)

15.3 Group 7 League Grand Final

OC-17/148

Committee recommendation that Council congratulate the Jamberoo Superoos on their win in the South Coast Group 7 League Grand Final and the Kiama Knights on their efforts in making the Grand Final.

(Councillors Honey and Steel)

7 MINUTES OF COMMITTEES

7.1 Kiama Local Traffic Committee Meeting Minutes 5 September 2017

OC-17/149

Resolved that the Minutes of the Kiama Local Traffic Committee Meeting held on 5 September 2017 be received and accepted.

(Councillors Reilly and Steel)

7.2 Long Term Financial Planning and Revenue Sub-Committee- Minutes of Meeting held on 4 September 2017

OC-17/150

Resolved that the Minutes of the Long Term Financial Planning and Revenue Sub-Committee- meeting held on 4 September 2017 be received and accepted and the recommendations contained therein be endorsed.

(Councillors Reilly and Steel)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

7.3 Destination Kiama Advisory Committee - Notes of Strategic Meetings held on 29 August and 6 September 2017

OC-17/151

Resolved that Council receive and accept the Minutes of the Destination Kiama Advisory Committee strategic meetings held on 29 August and 6 September 2017 and endorse the recommendations contained therein.

(Councillors Reilly and Steel)

7.4 Minutes of the Blue Haven Advisory Committee Meeting 7 June 2017

OC-17/152

Resolved that the Minutes of the Blue Haven Advisory Committee Meeting held on 7 June 2017 be received and accepted.

(Councillors Reilly and Steel)

COMMITTEE OF THE WHOLE

OC-17/153

Resolved that at this time, 5.02pm, Council form itself into a Committee of the Whole to deal with matters listed in the reports as set out below:

- Report of the Director Environmental Services
- Report of the General Manager
- Report of the Director Finance, Corporate and Commercial Services
- Report of the Director Engineering and Works
- Report of the Director Community Services
- Addendum to Reports

(Councillors Reilly and Westhoff)

8 PUBLIC ACCESS REPORTS

OC-17/154

Committee recommendation that at this time, 5.03pm, Council bring forward and deal with the matters pertaining to the Public Access Meeting.

(Councillors Way and Sloan)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

9.1 Question for Future Meeting: Helium Balloon Release Ban

OC-17/155

Committee recommendation that Council resolve to:

1. Ban the release of helium filled balloons at Council events and on Council managed land.
2. Include a 'no balloon release' section in the Council's Sustainable Events Policy and protocols.
3. Join neighbouring councils in advocating for a State and National education program on the issues associated with balloon release in relation to littering, the effect on the marine environment, helium usage and encouraging the banning of balloon release.

(Councillors Steel and Reilly)

9.2 10.2016.306.1 - Lot 5 DP 621070 - 291 Minnamurra Lane, Jamberoo - secondary dwelling

OC-17/156

Committee recommendation that Council approve Development Application number 10.2016.306.1 pursuant to Section 80 of the Environmental Planning and Assessment Act, 1979, subject to conditions at the end of the report.

(Councillors Steel and Westhoff)

For: Councillors Honey, Steel, Watson, Way and Westhoff

Against: Councillors Reilly, Rice and Sloan

Motion

OC-17/157

Committee recommendation that staff prepare a report on the feasibility of a Planning Proposal to adjust Clause 5.4b of the Kiama LEP 2011 (size of secondary dwellings) from 100% to 25%.

(Councillors Sloan and Way)

For: Councillors Honey, Reilly, Rice, Sloan, Steel, Way and Westhoff

Against: Councillor Watson

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

9.3 10.2017.37.1 - Lot 3 DP 32006 - 3 Gura Street Kiama - Dwelling alterations and additions and carport

It was **moved** by Councillor Rice and **seconded** by Councillor Reilly that Council refuse DA 10.2017.37.1 pursuant to Section 80 of the Environmental Planning and Assessment Act, 1979, for the following reasons:

1. The proposed development would be contrary to Control C13 in Chapter 4 of Kiama DCP 2012 – Low Density Development - which requires low density development:
“To maintain and improve the existing and future desired character/amenity of residential zones. Council will only approve of new dwelling houses/additions where they are compatible with the existing and environmental character of the locality and have a sympathetic and harmonious relationship with adjoining development.”
2. The proposed development would be contrary to the following development objective listed in Chapter 4 of Kiama DCP 2012 – Low Density Development:
“To ensure that development will not disrupt the streetscape or the unity of a group of buildings and spoil the existing character.”
3. The proposed development would result in the loss of dynamic forward facing views for an upslope property as a result of the building design not meeting the abovementioned development objective.
4. The combined impact of the proposed development would be contrary to
“C6 Any development in Kiama should incorporate view sharing principles into the design and siting of development to ensure that where possible with that existing view lines are not detrimentally impacted.”
“C8 Development should ensure, where possible, that there is no unreasonable loss of existing view lines from existing development”.

The **Motion** on being Put was **Lost**.

For: Councillors Reilly and Rice

Against: Councillors Honey, Sloan, Steel, Watson, Way and Westhoff

OC-17/158

Committee recommendation that Council approve Development Application No 10.2017.37.1 pursuant to Section 80(1) of the Environmental Planning and Assessment Act, 1979, subject to the conditions at the end of the report.

(Councillors Steel and Way)

For: Councillors Honey, Reilly, Sloan, Steel, Watson, Way and Westhoff

Against: Councillor Rice

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

11.2 Cooke Park Fitness Training Activities

Motion

OC-17/159

Committee recommendation that this matter is deferred by a month to have precise measurements of Cooke Park taken. A plan of the park that illustrates 10 metre diameters extending from the Anchor Memorial, barbecue areas, rotunda, picnic tables and toilets is necessary for Councillors to quantitatively determine the park's ability to satisfy Council's Fitness Training Policy [as stated in section 11].

(Councillors Westhoff and Rice)

The **Motion** on being Put was **Carried**.

14.21 Question for Future Meeting: BMX Track at Minnamurra Quarry -

OC-17/160

Committee recommendation that Council:

1. Consult with the Kiama Downs and Minnamurra Community plus local youth for the provision of a BMX/Pump bicycle facility at the disused Minnamurra Quarry site for the purpose of a recreational area for local youth to engage in these activities and promote exercise/health outcomes.
2. Prepare a proposed plan for a suitable BMX/Pump track including hours of operation, in conjunction with organisations involved in bicycle activities including, Kiama Sports Association, Mr Michael Thompson and Minnamurra Lions Club with Council's Engineering and Works department in the design of this facility as part of the process.
3. Prepare a final report including design for the November Council meeting.

(Councillors Way and Steel)

9.4 Planning Proposal for Part of Lot 34 DP 28122 and part of Lot 243 DP 30200, Part of Iluka Reserve, Kiama Downs

OC-17/161

Committee recommendation that Council request that the Department of Planning & Environment make the amendment to the Kiama Local Environmental Plan 2011 for part of Lot 34 DP 28122 and part of Lot 243 DP 30200, part of Iluka Reserve Kiama Downs to:

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

- Reclassify part of the land from community to operational land and change interests;
- Rezone part of the land from RE1 Public Recreation to R2 Low Density Residential amend the minimum lot size, building heights and floor space ratio control maps; and
- Rezone part of the land from R2 Low Density Residential to RE1 Public Recreation and amend the minimum lot size, building heights and floor space ratio control maps.

(Councillors Way and Steel)

For: Councillors Honey, Sloan, Steel, Way and Westhoff

Against: Councillors Reilly, Rice and Watson

9 REPORT OF THE DIRECTOR ENVIRONMENTAL SERVICES

9.5 Planning Proposal - 105 Shoalhaven Street - Community Facility as Additional Permitted Use - Lions Club Respite Care

Disclosure of Interest - Councillor Steel

At this time, 6.12pm, Councillor Steel declared a non- significant non-pecuniary interest in this matter as he is a member of the Lions Club.

OC-17/162

Committee recommendation that Council proceed with the preparation and finalisation of the draft Kiama Local Environmental Plan and mapping amendment in conjunction with Parliamentary Counsel and the Department of Planning and Environment.

(Councillors Way and Reilly)

For: Councillors Honey, Reilly, Rice, Sloan, Steel, Watson, Way and Westhoff

Against: Nil

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

9.6 Planning Proposal to reclassify Lot 208 DP 792192, O'Connell Place, Gerringong

OC-17/163

Committee recommendation that Council proceed with the preparation and finalisation of the draft Kiama Local Environmental Plan in conjunction with Parliamentary Counsel and the Department of Planning and Environment.

(Councillors Sloan and Westhoff)

For: Councillors Honey, Reilly, Rice, Sloan, Steel, Watson, Way and Westhoff

Against: Nil

10 REPORT OF THE GENERAL MANAGER

10.1 Delegation of functions of the Council - review of delegations to the Mayor, General Manager and Other Staff

OC-17/164

Committee recommendation that Council endorse the delegations as detailed in the report with the amendment to (c) in the Delegations to the Mayor to read as below:

- (c) To authorise any work which in the opinion of the Mayor is urgent at a cost not to exceed \$50,000;

(Councillors Sloan and Steel)

10.2 Council Committees - appointment of committees and memberships

OC-17/165

Committee recommendation that Council endorse the following committees and Council membership.

(Councillors Sloan and Way)

Committee	Council Membership	Meeting Times	Membership Nos.
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MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

Committee	Council Membership	Meeting Times	Membership Nos.
Access	Clr Kathy Rice Clr Neil Reilly (alternate)	1 st Friday every 2 nd month, 10am	1 Councillor (Chair)
Australia Day	Clr Mark Honey Clr Neil Reilly Clr Mark Westhoff	As required.	Mayor and 2 Councillors (including Chair)
Blue Haven Management Advisory	Clr Don Watson Clr Kathy Rice	1 st Wednesday, quarterly, 6pm Blue Haven	Mayor and 2 Councillors
Companion Animals Management Advisory	Clr Mark Way	Every 6 months or as required.	1 Councillor
Economic Development	Clr Warren Steel Clr Don Watson Clr Mark Honey	4 th Tuesday every month, 5.30pm Pavilion	3 Councillors (including Chair) and Chair of Tourism Committee
Catchment and Flood Risk Management	Clr Andrew Sloan Clr Mark Westhoff	As required	2 Councillors
Hoi An Friendship	Clr Matt Brown Clr Kathy Rice Clr Neil Reilly Clr Mark Way	As required	4 Councillors and General Manager
Holiday Parks Advisory	Clr Mark Honey Clr Matt Brown Clr Mark Westhoff	As required	Mayor, 1 or 2 Councillors and General Manager
Audit, Risk & Improvement	Clr Mark Honey Clr Kathy Rice Clr Andrew Sloan	As required	Mayor, Deputy Mayor, 1 Councillor
Kiama Cultural Board including Art Centre and Grants	Clr Mark Honey Clr Neil Reilly Clr Kathy Rice	Last Thursday every month, 5.30pm	Mayor, 2 Councillors and General Manager
Kiama Health & Sustainability Advisory	Clr Neil Reilly Clr Kathy Rice Clr Andrew Sloan	Bi-monthly	3 Councillors

Item 3.1

Attachment 1

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

Committee	Council Membership	Meeting Times	Membership Nos.
Kiama Walking Tracks/Cycleway	Clr Mark Honey Clr Mark Way	As required	1 Councillor (including Chair) and Mayor ex-officio
Long Term Financial Planning and Revenue	Clr Neil Reilly Clr Kathy Rice Clr Andrew Sloan Clr Warren Steel	As required	4 Councillors
Work Health & Safety	Clr Mark Honey	Quarterly	Mayor (ex-officio)
Performance Review	Clr Mark Honey Clr Kathy Rice Clr Andrew Sloan Clr Mark Way	Every 12 months	Mayor, Deputy Mayor and 2 Councillors
Planning Committee	Clr Mark Honey Clr Andrew Sloan Clr Kathy Rice Clr Mark Way Clr Mark Westhoff	As required.	Mayor, Deputy Mayor and 3 Councillors
Seniors' Week	Clr Kathy Rice	As required	1 Councillor (including Chair)
Staff Consultative	Clr Mark Honey	Monthly, no set date, 11.30am	Mayor (ex officio)
Streets & Reserves Naming	Clr Mark Westhoff Clr Andrew Sloan	As required.	1 Councillor and 1 Alternative
Kiama Local Traffic	Clr Mark Honey Clr Mark Way	1 st Tuesday every month, 9am	1 Councillor and 1 Alternative
Youth Advisory	Clr Kathy Rice Clr Mark Westhoff	1 st Thursday every month, 10.40am at Kiama High	2 Councillors

Item 3.1

Attachment 1

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

10.3 Delegates to Other Bodies 2017/2018

OC-17/166

Committee recommendation that Council increase the membership of the Cleary Bros Community Consultative Committee to include one alternate delegate and that Councillor Westhoff be the alternate delegate.

Further, that the South Coast Cooperative Library Service meeting schedule be amended to read annually and that the quarterly meetings of the NSW Public Library South East Zone Committee be added to the list of Delegates to Other Bodies with Councillor Rice, the Director Corporate, Commercial & Community Services and the Manager Library Services being appointed as delegates to the Committee.

(Councillors Reilly and Westhoff)

Committee/Association	Meetings	Councillors Elected	Nature of Appointment	Delegates
Civic Risk Mutual	Quarterly	Clr Honey	Delegate	1 Councillor and General Manager
Cleary Bros Community Consultative Committee	As required	Clr Sloan Clr Westhoff (Alt)	Council	1 Councillor and 1 Alternate
Friends of Kiama Library	Monthly	Clr Rice Clr Way (Alt)	Council	1 Councillor and 1 Alternate
Healthy Cities Illawarra Management Committee and International Healthy Cities Alliance (including Australian Chapter)	Quarterly and as required	Clr Honey Clr Rice (Alt)	As Mayor	Mayor and 1 Alternate
Illawarra Academy of Sport	Bi-monthly	Clr Way (Alt)	Delegate	Director Community Services and 1 Councillor Alternate
Illawarra Bush Fire Management Committee	Quarterly	Clr Watson	Councillor Delegate, Staff	1 Councillor and Director Engineering and Works
Illawarra Connection		Clr Steel	Council	1 Councillor
Illawarra District Weeds Authority Committee	Quarterly	Clr Rice	Council	1 Councillor & 1 Alternate being Landscape Officer
Illawarra Landcare Co-ordinating Committee	Monthly	Clr Rice	Council	1 Councillor

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

Committee/Association	Meetings	Councillors Elected	Nature of Appointment	Delegates
Illawarra Regional Airport Management Advisory Committee	As required	Clr Honey		Mayor
Illawarra Regional Information Service	Quarterly	Clr Steel	Delegate	1 Councillor
Illawarra Rural Fire District Service Agreement Committee	Quarterly	Clr Watson	Councillor Delegate, Staff	1 Councillor and Director Engineering and Works
Illawarra/Shoalhaven Joint Organisation	2 nd Friday alternate month	Clr Honey Clr Rice	Council	Mayor, Deputy Mayor and Alternate General Manager
Joint Regional Planning Panel	As required	Clr Honey Clr Sloan (Alt)	Council delegates	Mayor, General Manager and 1 Alternate
Kiama & District Sports Association	Bi-monthly	Clr Way	Council	1 Councillor and Director Engineering & Works
Kiama Liquor Accord	As required	Clr Watson Clr Brown	Council delegate	2 Councillors and Road Safety Officer
NSW Public Library South East Zone Committee	Quarterly	Clr Rice	Council delegate	1 Councillor, Director Corporate, Commercial & Community Services and Manager Library Services
South Coast Co-operative Library Service	Annually	Clr Rice	Council	1 Councillor
Sydney Catchment Authority's Local Government Reference Panel	As required	Clr Sloan Clr Westhoff (Alt)	1 Councillor, 1 Staff	1 Councillor, 1 Alternate and Director Environmental Services

Item 3.1

Attachment 1

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

10.4 Kiama Lions Club - Reimbursement of Pavilion hire fee

Disclosure of Interest - Councillor Steel

At this time, 6.22pm, Councillor Steel declared a non-significant non-pecuniary interest in this matter as he is a member of the Lions Club.

OC-17/167

Committee recommendation that Council approve the reimbursement to the Kiama Lions Club of the \$960 booking fee for the hire of The Pavilion Kiama.

(Councillors Way and Watson)

10.5 Local Government NSW Annual Conference 2017

OC-17/168

Committee recommendation that Council endorse

1. the registration of Councillors Honey, Rice, Steel and Westhoff to attend the Local Government NSW Annual Conference 2017
2. Councillors Honey, Rice and Steel to be registered as voting delegates.

(Councillors Sloan and Way)

10.6 Kiama Bowling & Recreation Club - President's Open Weekend Bowls Competition

Disclosure of Interest - Councillor Steel

At this time, 6.25pm, Councillor Steel declared a non-significant non-pecuniary interest in this matter as he is a member of the Kiama Bowling Club.

OC-17/169

Committee recommendation that Council sponsor the President's Open Weekend Bowls Competition to be held at the Kiama Bowling & Recreation Club Limited by providing \$500 to enable provision of perpetual trophies for each event and badges for individual winners.

(Councillors Westhoff and Rice)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

10.7 Rotary Club of Kiama

OC-17/170

Committee recommendation that Council support the work of the Kiama Rotary Club by providing the disused steel benches, cabinets and shelving from the former Kiama Hospital kitchen and administration buildings to Kiama Rotary to be used in their overseas service work of upgrading the Madang Hospital in Papua New Guinea.

(Councillors Watson and Way)

11 REPORT OF THE DIRECTOR FINANCE, CORPORATE AND COMMERCIAL SERVICES

11.1 New Lease - Kiama Community College Lease from Council

OC-17/171

Committee recommendation that Council:

1. Consent to grant the lease and licence to the College as detailed in this report; and
2. Give the Mayor and General Manager delegated authority to affix the Seal of Council to the lease and licence and/or sign the lease and licence as required.

(Councillors Reilly and Rice)

11.3 Statement of Investments - August 2017

OC-17/172

Committee recommendation that the information relating to the Statement of Investments for August 2017 be received and adopted.

(Councillors Reilly and Sloan)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

11.4 Annual Financial Statements 2016/17

OC-17/173

Committee recommendation that :

1. Council's Draft Financial Statements for 2016/2017 be referred to Council's auditors for audit under sect 413 (1).
2. Council resolves in accordance with sect 413 (2c) that the annual financial report is in accordance with:
 - the Local Government Act 1993 (as amended) and the Regulations made there under;
 - the Australian Accounting Standards and professional pronouncements;
 - the Local Government Code of Accounting Practice and Financial Reporting;
 - presents fairly the Council's operating result and financial position for the year;
 - accords with Council's accounting and other records; and
 - that the Council is not aware of any matter that would render this report false or misleading in any way.
3. Council adopt the Councillors/Management "Statement" and resolve that it be signed and attached to the Financial Statements for 2016/2017 following the removal of the reference to "the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines".
4. That on receipt of the Audited Reports, a copy is forwarded to the Office of Local Government.

(Councillors Reilly and Westhoff)

12 REPORT OF THE DIRECTOR ENGINEERING AND WORKS

12.1 Process and request for quotations for the supply and lay of asphaltic concrete

OC-17/174

Committee recommendation that Council purchase approximately 6,000 tonnes of asphaltic concrete from Roadworks at an average cost of \$154.45 + GST per tonne.

(Councillors Watson and Westhoff)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

13 REPORT OF THE DIRECTOR COMMUNITY SERVICES

13.1 Health & Sustainability Grants July '17 round & Minutes of Committee

OC-17/175

Committee recommendation that Council:

1. Note the minutes of the Committee meeting held 01 August 2017
2. Approve the following recommended Health & Sustainability Grants funding application:
 - a. Kiama Boomerang Bags - \$1,000

(Councillors Sloan and Rice)

13.2 Cultural Board Minutes and Recommendations

Disclosure of Interest - Councillor Watson

Councillor Watson declared a non-significant non-pecuniary interest in this matter as his sister is a member of the Cultural Board.

OC-17/176

Committee recommendation that Council:

1. Approve the acceptance of the Waugh family's donation of Jack Waugh's self portrait
2. Approve the declining of the offer to purchase the Yves Close Kiama landscape painting
3. Council approve the following recommended Cultural Grant funding applications:

• Jamberoo Music Festival	\$3,000.00
• Kiama-Jamberoo Community Strings	\$2,000.00
• Stables Mural	\$2,000.00
• Pacific Ave EP and Tour	\$3,000.00
• Youth Arts Scholarship – Lachlan Moss	\$1,000.00

(Councillors Steel and Reilly)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

13.3 NSW Public Libraries Conference 2017

OC-17/177

Committee recommendation that Council approve the attendance of Councillor Reilly at the NSW Public Libraries Conference.

(Councillors Sloan and Rice)

13.4 Community Safety Committee

OC-17/178

Committee recommendation that Council:

- 1) Support the creation of a Community Safety Committee and endorse the attached draft Terms of Reference
- 2) endorse Councillor Way as the Councillor representative and Councillor Rice the alternate representative on the Community Safety Committee.
- 3) Endorse seeking Expressions of Interest from the community and nominations from identified organisations for membership of the Committee

(Councillors Rice and Sloan)

13.5 Relocation of Gerringong Museum building and reserve planning

OC-17/179

Committee recommendation that Council:

- 1) Endorse the relocation of the Gerringong Historical Museum to be beside the Gerringong Men's Shed
- 2) Note the masterplan recommendations for the reserve to meet the needs of the sporting codes.

(Councillors Steel and Rice)

13.6 Blue Haven Care Prudential Standards Policy

OC-17/180

Committee recommendation that Council receive and adopt the Aged Care Prudential Standards Policy

(Councillors Westhoff and Watson)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

14 REPORTS FOR INFORMATION

OC-17/181

Resolved

Committee recommendation

That the following Reports for Information listed for the Council's consideration be received and noted

- 14.1 Gateway Determination - Lot 2 DP 626183 Golden Valley Road, Jamberoo
- 14.2 Planning Committee Minutes - 10 August 2017
- 14.3 Catchment and Flood Risk Management Committee - minutes of meeting - 15 August 2017
- 14.4 South Precinct Committee meeting minutes - 17 August 2017
- 14.5 Jamberoo Valley Ratepayers and Residents Association - Annual General Meeting minutes - 1 August 2017
- 14.6 Jamberoo Valley Ratepayers and Residents Association - General Meeting minutes - 1 August 2017
- 14.7 Kiama Central Precinct Committee meeting minutes - 22 August 2017
- 14.8 Minutes of the Companion Animals Committee meeting held on 8 August 2017
- 14.9 Cleary Bros Gerroa Sand Resource Community Consultative Committee Meeting 27 July 2017 – Minutes
- 14.10 Minnamurra Progress Association Minutes - meeting 1 August 2017
- 14.11 Parking Statistics - July 2017
- 14.12 Parking Statistics - August 2017
- 14.13 National Climate Change Adaptation Research Facility
- 14.15 Question for Future Meeting: Helium Balloons - Fines and Penalties
- 14.16 New SEPP (Vegetation in Non-Rural Areas) 2017
- 14.18 Hull FC Rugby League Visit to Kiama
- 14.19 Question for future meeting - Emery Reserve, Gerroa
- 14.20 Question for Future Meeting: Paid Parking
- 14.22 Cemetery Policy Review
- 14.23 10.2017.152.1 - Proposed Ambulance Station - Terralong Street, Kiama
- 14.24 Request from Gerroa Environmental Protection Society (GEPS)
- 14.25 Request from Jamberoo Valley Ratepayers and Residents Association Inc.
- 14.26 Reporting on Council's 2013-2017 Delivery Program (July 2016- June 2017)
- 14.27 Questions for Future Meetings Register as at 12/09/17
- 14.28 Short Term Holiday Lettings - Options Paper.

(Councillors Way and Sloan)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

14.14 Question for Future Meeting: Heritage Building Protection -

OC-17/182

Committee recommendation that Kiama Council responds to the ongoing potential for unsympathetic development in the Manning Street Civic Precinct located between Terralong and Bong Bong streets, by preparing a Planning Proposal for inclusion of this district as a Heritage Conservation Area under Schedule 5 of the Kiama Local Environmental Plan 2011. The Heritage Conservation Area should also include the heritage-listed buildings and streetscape of Terralong Street between Manning Street and Railway Parade.

(Councillors Rice and Reilly)

For: Councillors Honey, Reilly, Rice, Sloan, Steel, Watson, Way and Westhoff

Against: Nil

14.17 Question for Future Meeting: Wood Fire Heaters -

OC-17/183

Committee recommendation that Council promotes the right of residents to contact Council when they have concerns about smoke emission. Further, that through their communication with Council, residents are alerted to the "Wood Heaters Don't Choke on Smoke" fact sheet on Council's website, the Check Your Chimney information at environment.gov.au and the guidelines for working with neighbours that is available on the epa.sa website.

(Councillors Rice and Sloan)

RESUMPTION OF ORDINARY BUSINESS

OC-17/184

Committee recommendation that at this time, 6.47pm, Council resume the ordinary business of the meeting with all Councillors and Staff present at the adjournment of the meeting being present.

(Councillors Westhoff and Watson)

ADOPTION OF COMMITTEE OF THE WHOLE REPORT

OC-17/185

Resolved that Council formally confirm, adopt and endorse the Committee recommendations made by Council sitting as a Committee of the Whole as detailed in the Committee recommendations numbered OC-17/154 to OC-17/183 above.

(Councillors Way and Sloan)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

15 ADDENDUM TO REPORTS

OC-17/186

Resolved that at this time, 6.48pm, Council bring forward and deal with matters pertaining to the Addendum to Reports.

(Councillors Way and Watson)

15.1 Kiama Welcomes Refugees Committee - request for donation

Disclosure of Interest - Councillor Rice

Councillor Rice declared a non-significant non-pecuniary interest in this matter as she is a member of the Committee and attends the meetings.

OC-17/187

Committee recommendation that Council sponsor the Kiama Welcomes Refugees Committee fundraising movie night on 20 October 2017 at Gerringong Town Hall with a donation of \$433.00 to cover running costs.

(Councillors Way and Watson)

16 NOTICE OF MOTION

15.2 Rescission of Motion - Item 9.4 Report to Council Supporting Initial Gateway Consideration of the Planning Proposal for Housekeeping amendments to the Kiama LEP 2011

OC-17/188

It was moved by Councillors Rice, Sloan and Way that the motions relating to the abovementioned item 9.4 Report to Council Supporting Initial Gateway Consideration of the Planning Proposal for Housekeeping amendments to the Kiama LEP 2011 adopted at the 15 August 2017 Council meeting be rescinded.

(Councillors Way and Sloan)

The **Motion** on being Put was **Carried**.

For: Councillors Honey, Reilly, Rice, Sloan, Steel, Way and Westhoff

Against: Councillor Watson

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

OC-17/189

It was further moved that Council support the staff recommendations made at Item 9.4 of the August 2017 meeting (Report to Council Supporting Initial Gateway Consideration of the Planning Proposal for Housekeeping amendments to the Kiama LEP 2011) and:

1. Endorse the Planning Proposal for housekeeping amendments to the Kiama LEP 2011 to proceed to the Department of Planning and Environment for a Gateway determination to have the capacity to limit dual occupancy as described in the report by introducing a minimum lot size for dual occupancies in newly zoned R2 Low Density Residential land.
2. Applying the new minimum lot sizes for dual occupancies on all future greenfield subdivisions, being 600 m2 for Kiama, Gerringong and Gerroa and 1200 m2 for Jamberoo.
3. Request plan making delegations for this proposal as a part of the Gateway determination.
4. On receipt of the Gateway Determination, proceed with recommendations including requesting any further studies and public exhibition.

(Councillors Sloan and Rice)

The **Motion** on being Put was **Carried**

For: Councillors Honey, Rice, Sloan, Steel, Way and Westhoff

Against: Councillors Reilly and Watson

17 QUESTIONS WITHOUT NOTICE

17.1 Signage strategy

The Mayor, Councillor Honey, requested that Council staff prepare a signage strategy for the Local Government area for tourism and directional signage giving due regard to SEPP 64 incorporating a style guide and identification for future treatments in signage. The Mayor referred the matter to the Director Engineering & Works for investigation and report.

17.2 Staff appreciation

Councillor Steel requested that the Director Engineering & Works pass his thanks on to the appropriate staff for the installation of the signage at the Bombo Headland walk.

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

18 CONFIDENTIAL SUMMARY

OC-17/190

Resolved that at this time, 6.56pm, Council form itself into a Confidential Committee of the Whole to deal with matters listed in the recommendations as set out below subject to the consideration of any representations relating to such action.

(Councillors Watson and Westhoff)

Public Representations:

The Mayor called for representations regarding issues which had been proposed to be disclosed in Confidential Committee of the Whole. No such representations were received.

18.1 Exclusion Of Press And Public:

OC-17/191

Resolved that in accordance with Sections 10 and 10A of the Local Government Act, 1993 as amended, Council close the meeting of the Confidential Committee of the Whole to the Press and Public to deal with the following matters on the grounds as detailed below.

19.1 JAMBEROO POOL REFURBISHMENTS – TENDER FOR REFURBISHMENT OF AMENITIES AND POOL SURROUNDS

Reason for Confidentiality: This matter deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business as per Section 10A(2)(c) of the Local Government Act. .

19.2 PROPOSED LAND ACQUISITION

Reason for Confidentiality: This matter deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business as per Section 10A(2)(c) of the Local Government Act. .

(Councillors Watson and Westhoff)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

19 CONFIDENTIAL REPORTS

19.1 Jamberoo Pool Refurbishments - Tender for refurbishment of amenities and pool surrounds

OC-17/192

Committee recommendation that Council resolve to accept the tender to complete the refurbishment of the Jamberoo public pool amenities and surrounds.

(Councillors Honey and Steel)

19.2 Proposed Land Acquisition

Committee recommendation

1. That the General Manager be authorised to attend the auction on 19 October 2017 and bid up to the limit specified in the report.
2. That the Mayor and General Manager be authorised to sign and seal any required documentation for the purchase of the land.

(Councillors Steel and Watson)

Close of Confidential Committee of the Whole:

OC-17/193

Resolved that at this time, 7.01pm, the Confidential Committee of the Whole revert to Open Council.

(Councillors Steel and Sloan)

Adoption of Report

The General Manager formally reported the recommendations of the Confidential Committee of the Whole more particularly set out above.

OC-17/194

Resolved that that the Confidential Committee of the Whole recommendations numbered OC-17/189 to OC-17/191 be confirmed and adopted.

(Councillors Steel and Reilly)

MINUTES OF THE ORDINARY MEETING

19 SEPTEMBER 2017

20 CLOSURE

There being no further business the meeting closed at 7.03pm

These Minutes were confirmed at the Ordinary Meeting of Council held on
17 October 2017

.....
Mayor

.....
General Manager

Item 3.1

Attachment 1

4 BUSINESS ARISING FROM THE MINUTES

5 PUBLIC ACCESS SUMMARY

6 MAYORAL MINUTE

6.1 Congratulations to Ali Day

Attachments

Nil

Enclosures

Nil

RECOMMENDED

That Council extend its congratulations to former Kiama resident, Ali Day, who recently won his 5th Coolangatta Gold title.

REPORT

Former Kiama resident, Alastair (Ali) Day took out his 5th Coolangatta Gold competition on 8 October at Coolangatta Beach on the Gold Coast.

The prestigious event consists of a 23km surf ski leg, 1.8km run, 3.5km swim, 6.1k board paddle and a final 7.1km run. Ali won the grueling race in a time of 3 hours and 52 minutes. He has now equalled the record of previous race winner Caine Eckstein and credits this win to watching inspirational video highlights of the late Dean Mercer's 2005 Coolangatta Gold win.

I am sure that my fellow councillors will join with me in congratulating Ali on achieving this record equalling result and putting in a gutsy performance.

7 MINUTES OF COMMITTEES

7.1 Walking Tracks and Cycleways Committee - Minutes - meeting 13 September 2017

Responsible Director: Engineering and Works

Attachments

- 1 Walking Tracks and Cycleways Committee - meeting 13 09 2017 - minutes [↓](#)

Enclosures

Nil

RECOMMENDED

That the Minutes of the Walking Tracks and Cycleways Committee Meeting held on 13 September 2017 be received and accepted.

BACKGROUND

The Minutes of the Walking Tracks and Cycleways Committee Meeting held on 13 September 2017 are attached for Councillors' information.

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN
MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017
COMMENCING AT 4.00PM

Present: Cllr Mark Way (MW), Cllr Mark Honey (MH), Peter Stuckey (PS), Gwyneth Rhys (GR), Darren Brady (DB), Barry Booth (BB), Fiona Wilmot (FW), Karen Ronning (KR).

Apologies: Neil McLaren (NM), Alan Pomeroy (AP)

Due to need for PS to depart early, Item 2.7) was brought forward for discussion.

2.7 Coastal Walking Track – Werri Lagoon footbridge

MW advised that the minutes from the Committee's meeting on 14 June 2017 that included the Recommendation was adopted by Council at the meeting of 18 July 2017. At this meeting MW raised a separate Motion seeking the development of a concept plan for the boardwalk to accompany the consultation (see Attachment 1). This was approved by the Council.

MW advised that this concept plan is currently being developed by Council staff and will form part of the widespread consultation. No works will commence on site prior to the consultation process and the community given the opportunity to support or oppose the proposal. MH requested that this concept plan be developed ASAP so the consultation process can be commenced.

PS raised a number of concerns related to the boardwalk as outlined in his letter (see Attachment 2) and that the proposal was not in accordance with the Plan of Management for the Coastal Walking Track. MW tabled a copy of a brief report from the Director of Engineering & Works responding to a number of questions raised regarding the project (see Attachment 3). MW advised that although preliminary submissions had been received objecting to the proposal, he had been approached by a number of others in the community supporting it.

After lengthy discussion it was decided that the consultation shall proceed to gauge the community's opinion. PS agreed to withdraw the Recommendation a) from his letter, but still wished to record his opposition to the proposal.

BB raised the issue that the track open/closed signage at Loves Bay is located ~300 metres from the carpark area which is too far in. Another sign should be located close to carpark or Elanora PI cul-de-sac to advise visitors of the track's status.

Committee Recommendation:

1. That a copy of Mr Stuckey's letter regarding the boardwalk be included in the minutes.

Moved: PS/BB - Vote: Carried.

- Action:**
- 1) Council to expedite the preparation of a concept plan of the boardwalk proposal to accompany the community consultation.
 - 2) A copy of the Plan of Management for the Coastal Walking Track be circulated to the Committee.
 - 3) DB to investigate the installation of another sign closer to the carpark area.

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017 COMMENCING AT 4.00PM

Resumption of normal business.

1 Minutes of the previous meeting

The minutes of the previous meeting held on 14 June 2017 were received.

2 Business arising from Minutes

2.1 Swamp Road to Jamberoo shared pathway

DB advised that current construction works to from Swamp Road to Browns lane are near completion. Council was also successful in obtaining \$68,000 in grant funding from the RMS for continuation of path construction along Browns Lane towards Jamberoo Road.

Council have also engaged a survey consultant to commence on the boundary identification along Jamberoo Road for planning of the future route along Jamberoo Road to Jamberoo Village.

2.2 Tourist signage information

DB advised that the signage audit report had been circulated with the previous minutes. The report is dated and some components are now superseded. DB advised that walking / cycling tourism signage is a matter that has been consistently raised by this Committee over a long period.

Action: KR to review and prioritise the tourism signage needs in consultation with the Committee & seek to establish a funding budget for future implementation.

2.3 Walker's Beach pathway/Gerringong to Gerroa Walking Track

At a previous meeting it was agreed that risk representatives from Council and the Golf Club, would inspect other courses to identify how those clubs are addressing their risks with the view to implementing these measures in the interim period.

Action: DB to follow up with Council's Risk Officer on this matter.

2.4 Kiama Bends / Bushbank Mill track

MW advised that the grant funding application has moved to the second stage with the State government. DB advised a letter has been sent to the RMS requesting a speed limit review on the Kiama Bends.

2.5 Cycleway maps update

BB advised that digital cycling maps are on the Kiama BUG website, but have not been updated on the Kiama tourism website.

Action: KR to update the current link on the Kiama tourism website to the new maps.

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017 COMMENCING AT 4.00PM

2.6 Minnamurra Bends walkway – Riverside Drive

DB advised that a concept design is currently being prepared by a consultant. A \$4.5M funding grant has been received from the state government. Community consultation will be commenced in future once concept is developed.

2.7 Coastal Walking Track – Werri Lagoon footbridge

Previously minuted.

2.8 Bombo Headland / Darien Ave – Directional signage

Council's Director of Engineering & Works is consulting with C/r Steele on the sign locations and arrange for their installation.

2.9 Dunmore shared pathway

AP also noted that there is no signage along this section of pathway that welcomes cyclists/walkers into the Kiama Municipality. It was suggested that another tourism 'you are here' sign, be installed at this location to welcome visitors from the north.

Action: DB to investigate the installation of a tourism / directional sign on the shared pathway at the northern Kiama local government boundary at Dunmore, to welcome visitors from the north

2.10 Kiama Tourism Website

KR advised that the current website is to be revamped and made more mobile capable. Any outdated links etc will be updated where notified. KR advised that the Australian Tourism Data Warehouse (ATDW) website is the national platform for digital tourism data, however Kiama is very under represented at present. She is seeking information / experiences to start including on this website in future. GR tabled the Geo Canal Midi website (French tourism App) as a good example of mobile tourism information.

Action: The Committee to provide any walking / cycling tourism related information to KR for updating / inclusion on the website in future.

2.11 Coastal Walk to Boat Harbour

FW advised that all the current promotional information and signage for the coastal walking track appears to terminate at North Werri Beach. She suggested that with some simple directional signage installations, it would be easy to extend the Walk to Boat Harbour, Gerringong.

FW also commented that the Committee should again resurrect the extension of the Coastal Walking track south from Boat Harbour, Gerringong to Gerroa. This would result in a complete walking track along the entire Municipality coastline. DB advised that there is currently a strip of public reserve existing across a number of these properties at present, but acquisition would still be required across 1 property to the south and 2 the north of Walkers Beach (golf course) to provide the link. DB indicated that was raised by the previous

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN
MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017
COMMENCING AT 4.00PM

Committee in earlier years but was not pursued by Council as a priority. This matter is also tied into item 2.3) above.

Action: 1) KR to investigate the signage provision for this area as part of 2.2) above.
 2) That Council to continue negotiations with the Gerringong Golf Club on the establishment of a pathway on the public reserve to Walker's Beach.
 3) That Council commence negotiations with property owners for the establishment of a coastal walking track from Boat harbour to Gerroa.

3 New business arising

3.1 Saddleback Mtn Rd – Footpath

GR advised that she has been approached regarding a potential safety issue with the increasing number of walker/runners along Saddleback Mtn Rd especially the steep section to the lookout where a footpath could be considered. DB advised that Council does not construct footpath in rural areas due to the low numbers of walkers and vehicles on these roads does not make it feasible.

3.2 Hoddles Track

FW raised that Hoddles Track should be developed and promoted as another walking track option. MH advised that as the track leads to the Barren Ground Reserve, any development would need to be done in conjunction with the National Parks & Wildlife Service, who to date have advised that they do not want public access into this reserve for conservation reasons. In order to review the proposal a large scale map is required to determine the route and ownership.

Action: DB to provide a large map of the Hoddles Track area for the next meeting.

There being no further business, the meeting closed at 5.50pm.

Next meeting will be held on Wednesday 15 November 2017 at 4.00pm.

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN
MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017
COMMENCING AT 4.00PM

Attachment 1

Motions for July 2017 Council meeting

Walking Tracks & Cycleways Committee Meeting Item 3.7

Motion:

Provide a Concept plan to be completed by Council Works staff, for a Boardwalk across North end of Werri Lagoon to link with Coastal Walking Track. Also, provide a plan for Community consultation on the proposal.

Moved by: Mark Way

Minnamurra Waste and Recycling Facility Item 14.26

Motion:

Extend operating hours of Minnamurra Waste and Recycling Facility on Saturdays to 4pm.

The additional staffing cost of 12,000 PA to be resourced from Waste dividends.

Appropriate advertising through Council resources: Website; Rate notices, Mayors column and other appropriate Council communications.

Moved by: Mark Way

Item 7.1

Attachment 1

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017 COMMENCING AT 4.00PM

Attachment 2

Coastal Walking Track: Proposed footbridge across Werri Lagoon

Background:

This proposal has been considered by the Walking Tracks and Cycleways Committee at previous meetings held in March and June this year. No detailed plans have been provided for the proposed bridge and the last recommendation from this Committee was "that Council undertake community consultation on a concept proposal to construct a boardwalk across the eastern edge of Werri Lagoon to provide a link to the Coastal walking Track."

It is suggested in the minutes of the June meeting that a low level boardwalk be considered 2.5-3m wide with no handrails if possible and be just above the water level reached where Council opens the lagoon. As far as I am aware the concept plan consists of photos showing a low level boardwalk and the estimated cost is \$186,000. Importantly no geotechnical investigations have been undertaken or a specific location of the structure determined so the size and structural requirements of the structure are unknown.

The justification for the Kiama Coast Walking Track : The idea for the Kiama Coastal Track, particularly the section from Loves Bay to Werri Lagoon, originated from the Walking Tracks and Cycleways Committee in 1997 . As the Manager of Parks and Environment from 1993 to 2010 one of my responsibilities was to service the Committee. The Committee became interested in establishing the Track when I drew its attention to the fact that although there was a lot of public land along the shoreline in this area this was not accessible to the public because there was isolated places where the public land did not exist. After 12 years of lengthy investigations ,land surveys ,risk analysis and negotiations with landowners and lobbying of the NSW Government , the necessary land acquisitions were undertaken by the State Government and the Kiama Coast Walking Track was opened in 2009. Council was kept informed throughout that process through regular reports directly to Council.

From the outset the intrinsic natural beauty and uniqueness of this landscape was recognised as the primary reason for establishing this part of the Kiama Coastal Track. The project would not have attracted the support of the State Government if it had not have been for the spectacular and unique characteristics of this part of the coastline. A Management Plan for the Track was adopted by Council in 2009. The overriding intention of the Management Plan is to maintain the nature of the Track as a natural pathway i.e. to maintain the exceptional natural qualities of the route without the intrusion or impact of man- made structures. Sec 3.1of the Management Plan states that " *The Coastal Walking Track is planned to be constructed and maintained to preserve the natural beauty of the site and to allow visitors to observe and appreciate the environment in its natural state.*"

Risk Management :The policy of minimum improvements adopted in the plan has very serious implications for Council's Risk Management . Because of the nature of the route , risk management was a major consideration for the Track. By stating in the plan the level of improvements and the subsequent maintenance levels, Council was able to identify its responsibilities and ensure that any works complied with those adopted standards. Sec 3.1.1and 3.1.2 of the Management Plan set out in detail the level of construction and maintenance for the Track.

Sec 3.6 describes the usage that is being catered by this facility stating "*Users will require a moderate level of fitness. Users are to be self reliant in regard to assessing and dealing*

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN
MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017
COMMENCING AT 4.00PM

with track surfaces, weather conditions, natural and man - made hazards and personal injury."

The Management Plan was prepared in accord with Council's risk management strategy - the Strategic Asset Management Policy (SAMP). It was approved and adopted by Council in August 2009

Werri Lagoon Opening :In Sec 3.9 the possible impact the open lagoon has on the use of the Track is acknowledged . Sec 3.9.2 states that signage is to be erected at both ends of the track warning the public that they may not be able to use the track if Werri Lagoon is open to the sea. Signs are in place at either end of the track warning that the track is closed if Werri Lagoon is open to the sea. When it is planned to open the lagoon the track Closed signs are activated by Council staff. I have been advised by Council's Manager of Design and Development , Darren Brady , that this practice is always followed . Therefore users of the Track are warned at both ends of the Track (at Loves Bay and Werri lagoon) if the lagoon is open. It should be remembered that the lagoon has to be opened by Council to prevent flooding of a number of low level properties adjacent to the lagoon. This process is covered in detail in the Werri Lagoon Opening Policy . This Policy was formally approved and adopted by the NSW government and Council in 2005 . The Policy has a considerable safety margin which ensures that the lagoon does not open unexpectedly .Therefore users of the track are notified before they start their walk if the lagoon is open . In addition given the natural processes that control the lagoon opening the lagoon mouth closes relatively quickly, depending on the size of the flood and the sea conditions. Council records show that the lagoon has been opened 15 times in the past three years .The opening time varies but on average does not exceed 1 week so the lagoon is open only 10% of the time . The lagoon has breached naturally only since September 2014. Moreover even when open ,users are able to cross most of the time except of course during the initial opening period or at peak high tide. The overwhelming or predominant condition is for the lagoon to be closed at the mouth allowing users to walk across the beach 90% of the time; this is the way these coastal lagoons operate .

Instability of the Lagoon Mouth: Unfortunately, in 1975 Council constructed a concrete channel on the northern side of the lagoon in an unsuccessful attempt to maintain a permanent opening to Werri Lagoon. However it is evidence of the very dynamic nature of this area as the channel can be totally exposed or covered by more than a metre of sand. The location of the opening also varies depending on the flood conditions and the wave conditions - the direction and size of the swells forcing the opening to vary from the extreme north side near the headland to approx 100metres to the south. Any structure built in this area is vulnerable to easterly and south easterly storms and therefore likely to be destroyed by waves. This risk will inevitably increase as sea level rise and storms become more extreme. It is an extremely dynamic area.

Lagoon Flushing :The proposal to construct a low level boardwalk is likely to restrict the opening efficiency depending on the location of the boardwalk. Flood debris will accumulate around the piers of the structure inhibiting flushing of the lagoon during the opening and thereby movement of fresh sea water into the lagoon.

Ground Conditions: As indicated no geotechnical investigation has been undertaken to date for the structure but the area is identified in the Kiama LEP as containing Class 1 Acid Sulphate Soils. As such, any works during construction which would possibly cause disturbance to that material would require special measures to prevent that happening . It would be a catastrophic event if those soils contaminated Werri Lagoon.

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017 COMMENCING AT 4.00PM

Conclusion:

Purpose of the lagoon bridge: The benefits as stated in the minutes of the June meeting of this Committee are that it will *allow uninterrupted access to the Coastal walking Track , with the exception of periods of high flooding and could also provide an access point for fishing , canoeing etc.*

Impact of Lagoon Opening :The natural processes that control the opening of the lagoon and the Policy for the lagoon opening means that the mouth of the lagoon is nearly always closed and people can access the track by walking across the beach. Users are warned at both ends if the mouth is open and therefore , unless they ignore the signs, are not unexpectedly forced to walk back to Loves Bay if they have walked from Loves Bay.

Council's responsibility :The Management Plan for the Walking Track and the Werri Lagoon Opening Policy, both approved and adopted by Council, recognise Council's responsibility to preserve and maintain the exceptional natural qualities of this part of the Kiama Coastline. That is reflected in the Plan that precludes unnecessary improvements that would detract from the beauty of the landscape and burden Council with unnecessary risks or long term maintenance costs. These policies are a rational means of managing the asset and minimising Council's risk.

Risk and future costs :The construction of a bridge or boardwalk would undermine Council's Risk Management Strategy for the track by introducing an unwarranted improvement . It is inevitable that any structure built in this highly dynamic area will be seriously damaged or destroyed in severe storm conditions . This will be exacerbated in the future with the rise in sea level and more frequent and more severe storms . Council's unfortunate experience in constructing the failed concrete channel in 1975 should be an adequate reminder to avoid the extreme risk of another failure.

Encouraging Usage: The lagoon opening has only a minimal impact on the use of the track as the lagoon is closed 90% of the time and therefore access is readily available .

If the Committee wishes to encourage usage of the Track it would be better to provide part time transport ,to the track heads ,. i.e. on selected weekends.This could be funded for at least 10 years in lieu spending \$186000, plus annual maintenance costs, on a bridge.

Summary :

The construction of a bridge or boardwalk across Werri Lagoon cannot be justified when the advantages and disadvantages of the proposal are weighed up; a bridge is unwarranted. The adverse impacts, very high costs and severe risks far outweigh the perceived benefit of only a very minor improvement in access.

Recommendation :

(a) *deleted*

(b) That the Committee request Council to investigate the provision of part time transport to the track heads ,. i.e. on selected weekends, in place of spending any funds (State Government or Council) on a bridge.

Peter Stuckey
11 September 2017

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN
MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017
COMMENCING AT 4.00PM

Attachment 3

To: Gino Belsito Director of Engineering and Works

From: Mark Way: Chairman of Walking Tracks & Cycleways Committee

Proposal to construct a Boardwalk at the North end of Werri Lagoon for Coastal Walking Track

As you are aware, the Motion supported by Councillors unanimously at July Council meeting to provide a concept plan and seek Community consultation in regard to the provision of a Boardwalk at northern end of Werri Lagoon for a permanent access re-Coastal Walking Track is currently underway by Council staff.

Although Council is committed to this process via Motion, certain aspects of the construction of this Boardwalk have been brought to attention of the Committee and require advice as to their sustainability and I would appreciate your advice as follows:

1. Could a low profile (low viz) Boardwalk be designed (approx. 50-60m x 2.5m), across the northern end of Werri Lagoon to provide a permanent link to Coastal walking track? **Yes, a boardwalk can be designed across the Werri Lagoon. The final design should take into consideration the local environmental factors and this will set the preferred pathway and height for the finish level of the boardwalk.**
2. Can the design be of sufficient strength to withstand any outflows and storms that could be encountered? **Again the detailed design will consider the type, shape and material that would be appropriate for this boardwalk.**
3. Could the construction adequately handle any debris from storms, outflows, ocean conditions etc? **The structural integrity for the boardwalk will rely on the final design and a suitable maintenance program to ensure that it remains adequate for the task.**
4. Would Acid/Sulphate soil effect the construction in any way? **Subject to the confirmation of the existing soil type, this information should be taken into account during the selection of the material that would be suitable for this application.**
5. Could the amount of pylons be minimised/constrained to prevent any environmental problems and/or restrictions on flows? **The number of pylons will be determined in the detailed design and this will be influenced by the choice of material, the preferred span between the pylons and the structural capacity of the proposed deck.**
6. From a Risk management point of view in your opinion, would the provision of safe access across this portion of Werri Lagoon by addition of a Boardwalk reduce the risk to Council and walkers of crossing the lagoon? **Obviously a boardwalk would not increase the risk to public safety. Providing an alternate means to cross the lagoon opening could be beneficial to all users in particular the elderly.**
7. Should a Boardwalk be constructed over this portion of Werri Lagoon, could Council staff mechanically "open" the mouth of the Lagoon and allow flushing of the Lagoon on regular occasions, given that there would be no effect on this Coastal Walking track usage? **Council has very strict guidelines set by the Office of Environment and Heritage (OEH), when it can open the lagoon. This requirement is critical to ensure the ecological integrity of the Lagoon, and I don't believe that this will change if a Boardwalk was constructed.**

MINUTES OF THE KIAMA WALKING TRACKS AND CYCLEWAY COMMITTEE MEETING HELD IN
MEETING ROOM, OLD COUNCIL ADMINISTRATION BUILDING ON WEDNESDAY 13 SEPTEMBER 2017
COMMENCING AT 4.00PM

-
8. In your opinion, would open access of the Coastal Walking track "24/7" be cost effective from maintenance and communications point of view? **To permanently open the mouth of the lagoon would not be permissible as per my previous advice.**
 9. From a Marketing and/or Tourism aspect, the open access every day would be a benefit to Kiama Tourism and potential users? Probably also refer this question to Manager of Kiama Tourism.
Noted. Will direct question as requested.
 - I realise these questions are early in the proposed consultation process but given the questions already raised in this early period, need to be addressed for Walking Tracks and Cycleways Committee at our next meeting on Wednesday.

Thanks,
Mark Way

Item 7.1

Attachment 1

7.2 Blue Haven Advisory Committee - Minutes

Responsible Director: Community Services

Attachments

- 1 Minutes - Blue Haven Advisory Committee - 6 September 2017 [↓](#)

Enclosures

Nil

RECOMMENDED

That the Minutes of the Blue Haven Advisory Committee Meeting held on 6 September 2017 be received and accepted.

BACKGROUND

ENTER TEXT HERE

Item 7.2



MINUTES OF THE BLUE HAVEN ADVISORY COMMITTEE MEETING

commencing at 6pm on

WEDNESDAY 6 SEPTEMBER 2017

Blue Haven Independent Living Units
Stage 5 - Level 7

Item 7.2

Attachment 1

MINUTES OF THE BLUE HAVEN ADVISORY COMMITTEE 6 SEPTEMBER 2017

**MINUTES OF THE BLUE HAVEN ADVISORY COMMITTEE OF THE
MUNICIPALITY OF KIAMA HELD AT BLUE HAVEN ILU,
KIAMA, ON WEDNESDAY 6 SEPTEMBER 2017 AT 6PM**

PRESENT: Mr A Fowle (Chairman), Councillor M Honey (Mayor), Councillor K Rice, Mrs J Bartlett, Mrs S McCarthy, Mrs P Waters, Mr B Wilson, Mr I Pullar, Mrs C Rogers, Mr S Dawson, Mrs T Sligar, Mrs F Whittaker, Mrs M Parish and Mr M Forsyth

1 Apologies
Nil

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Mayor declared the meeting open and acknowledged the traditional owners:

“On behalf of those present, I would like to show my respect and acknowledge the traditional owners of the Land, of Elders past and present, on which this meeting takes place, and extend that respect to other Aboriginal and Torres Strait Islander people present.”

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 Minutes Blue Haven Advisory Committee - 7 June 2017

BLU-17/078

Resolved that the Minutes of the Blue Haven Advisory Committee Meeting held on 7 June 2017 be received and accepted.

4 BUSINESS ARISING FROM THE MINUTES

Nil

5 REPORT OF THE DIRECTOR COMMUNITY SERVICES

5.1 Director's Update

BLU-17/079

Committee recommendation that the Committee note the information contained in the report.

MINUTES OF THE BLUE HAVEN ADVISORY COMMITTEE 6 SEPTEMBER 2017

6 REPORTS FOR INFORMATION

7 CONFIDENTIAL REPORTS

7.1 Blue Haven Village - Independent Living Units

BLU-17/080

Resolved that this information be noted.

8 CLOSURE

There being no further business the meeting closed at 7.15pm

These Minutes were confirmed at the Ordinary Meeting of Council held on 17
October 2017

.....
Mayor

.....
General Manager

Item 7.2

Attachment 1

7.3 Minutes of Kiama Local Traffic Committee Meeting - 3 October 2017

Responsible Director: Engineering and Works

Attachments

- 1 Minutes of Kiama Local Traffic Committee Meeting - 3 October 2017 [↓](#)

Enclosures

Nil

RECOMMENDED

That the Minutes of the Kiama Local Traffic Committee Meeting held on 3 October 2017 be received and accepted.

BACKGROUND

The Minutes of the Kiama Local Traffic Committee Meeting held on 3 October 2017 are attached for Councillors' information.



**MINUTES OF THE
KIAMA LOCAL TRAFFIC COMMITTEE
MEETING**

commencing at 9.07am on

TUESDAY 3 OCTOBER 2017

Council Chambers
11 Manning Street, KIAMA NSW 2533

Item 7.3

Attachment 1

MINUTES OF THE KIAMA LOCAL TRAFFIC COMMITTEE 3 OCTOBER 2017

**MINUTES OF THE KIAMA LOCAL TRAFFIC COMMITTEE OF THE
MUNICIPALITY OF KIAMA HELD IN THE COUNCIL CHAMBERS,
KIAMA, ON TUESDAY 3 OCTOBER 2017 AT 9.00AM**

PRESENT: Councillor M Honey (Mayor) (Chairman), Jayd Marsh (RMS Representative) (by phone), Kevin Brown (NSW Police Representative), Darrell Clingan (Local Member's Representative), Gino Belsito (Director Engineering & Works), Darren Brady (Manager Design & Development), Janelle Burns (Kiama Council Road Safety Officer), Councillor Mark Way and Mallory McLennan (Minutes)

1 Apologies

Amy Thomson (RMS Representative)

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

The Mayor declared the meeting open and acknowledged the traditional owners:

"On behalf of those present, I would like to show my respect and acknowledge the traditional owners of the Land, of Elders past and present, on which this meeting takes place, and extend that respect to other Aboriginal and Torres Strait Islander people present."

3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 Kiama Local Traffic Committee on 5 September 2017

Resolved that the Minutes of the Kiama Local Traffic Committee Meeting held on 5 September 2017 be received and accepted.

(Councillor Honey and Mr Clingan)

4 BUSINESS ARISING FROM THE MINUTES

Nil

5 REPORT OF RMS DELEGATED FORMAL ITEMS

5.1 No Stopping Restrictions - Riverleigh Avenue, Gerroa

Resolved that the Committee recommend the existing 'No Stopping' zone be emphasized through the installation of regulatory signage and kerbside unbroken yellow line marking at Riverleigh Ave, Gerroa.

MINUTES OF THE KIAMA LOCAL TRAFFIC COMMITTEE 3 OCTOBER 2017

(Councillor Honey and Mr Clingan)

5.2 Terralong Street, Kiama - Temporary Road Closure - 2018 Commonwealth Games Queen's Baton Relay

Resolved that the Committee recommend the Commonwealth Games Queen's Baton Relay for Monday 5 February 2018 be approved subject to organisers and suitably qualified traffic controllers complying with the following conditions:

- Preparation of a Traffic Management Plan by a qualified person in consultation with Police and Council officers;
- The road closure be undertaken by suitably qualified personnel in compliance with the Traffic Management Plan;
- Notification of this closure be given to the Police, local Emergency Services, businesses and residents affected by the closure;
- Advertisement be placed in the local media and signage be installed advising of the closure.

(Councillor Honey and Mr Clingan)

6 GENERAL BUSINESS

6.1 Manning Street, Kiama - Reduced Hours for Restricted Parking -

Resolved that the Committee recommend the reduction in restricted parking time limits, on Manning Street Kiama, from 2 hours to 1 hour. This will increase parking availability during business hours. Council will carry out the change in signage.

(Councillor Honey and Mr Clingan)

- 6.2 Gino Belsito requested a review of the speed limit on fern street between Gerringong and Gerroa. Jayd Marsh advised that she would action a speed limit review on the committee's behalf. Clingan requested a community consultation during the review process.

7 CLOSURE

There being no further business the meeting closed at 9:28am

These Minutes were confirmed at the Ordinary Meeting of Council held on 7
November 2017

MINUTES OF THE KIAMA LOCAL TRAFFIC COMMITTEE 3 OCTOBER 2017

.....
.....
Mayor

Director Engineering & Works

Item 7.3

Attachment 1

8 PUBLIC ACCESS REPORTS

Committee Of The Whole

RECOMMENDATION

That Council form itself into a Committee of the Whole to deal with matters listed in the reports as set out below:

- Report of the Director Environmental Services
- Report of the General Manager
- Report of the Director Finance, Corporate and Commercial Services
- Report of the Director Engineering and Works
- Report of the Director Community Services
- Reports for Information
- Addendum to Reports

9 REPORT OF THE DIRECTOR ENVIRONMENTAL SERVICES

9.1 10.2016.231.1 - PSEC Project Services Pty Ltd v KMC - Land & Environment Court Appeal against refusal

CSP Objective: 2.0 Well planned and managed spaces, places and environment

CSP Strategy: 2.3 The principles of sustainable development and compliance underpin town planning and local development

Delivery Program: 2.3.1 Conduct development and building assessment/approval functions in accordance with statutory requirements, policies and procedures

Item 9.1

Summary

This report advises of a Class 1 Appeal to the Land & Environment Court over Council's refusal of a Development Application for a 16 unit development at 15-17 Bourrool Lane, Kiama.

Finance

This matter will affect Council's legal expenses budget.

Policy

N/A

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That, subject to the receipt of quotes that are acceptable, Council engage either Marsdens Law Group or Lindsay Taylor Lawyers to act on Council's behalf to defend the subject appeal to the Land & Environment Court and engage a consultant town planner to provide expert evidence in support of the appeal.

BACKGROUND

Council is in receipt of a notice of appeal to the Land & Environment Court in relation to Council's decision, at its May meeting, to refuse DA 10.2016.231.1 for the erection of 16 units over 4 storeys with underground car parking, at 15-17 Bourrool Lane Kiama for the following reasons:

1. incompatible with the Kiama Development Control Plan – Chapter 7 – control C61 – Characteristics of Roads in Residential Road Networks;
2. there is inadequate width of the access road;
3. the proposal is an overdevelopment;

Report of the Director Environmental Services

9.1 10.2016.231.1 - PSEC Project Services Pty Ltd v KMC - Land & Environment Court Appeal against refusal (cont)

4. the neighbours will experience unreasonable view loss.

The report was presented to Council with a staff recommendation of conditional approval and it would therefore be inappropriate for staff to be involved in the appeal acting as expert witnesses.

As Council may be aware a legal services panel was established in September 2015 for the provision of legal services to the Kiama, Shellharbour and Shoalhaven Council areas.

It has been noted that Council is yet to use Marsdens Law Group or Lindsay Taylor Lawyers in relation to planning matters, and it is therefore recommended that they each be requested to quote on the provision of their services in this instance, as they both have a highly regarded reputation in planning law matters.

10 REPORT OF THE GENERAL MANAGER

10.1 Request for Donation - Lions Club of Gerringong

CSP Objective: 1.0 A healthy, safe and inclusive community

CSP Strategy: 1.1 Developing and implementing services and programs that promote social cohesion, healthy and active lifestyles for residents of all ages, abilities and interests

Delivery Program: 1.1.3 Provide and promote cultural and artistic activities and programs

Item 10.1

Summary

This report seeks Council's consideration of a request for support from the Lions Club of Gerringong for their annual Car Show in February 2018.

Finance

As a not-for-profit organisation the Lions Club are not required to pay any hire fees for Mick Cronin oval however the cost of waste services associated with the use of Mick Cronin Oval will be \$675. Fees are to be funded from Council's Community Contributions & Donations (Events/Festivals) fund.

Policy

Not applicable.

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That Council donate the provision of waste services for Mick Cronin Oval for the Lions Club of Gerringong's Car Show in February 2018. Further, that the Lions Club of Gerringong be advised Council would appreciate appropriate recognition of Council's support of the event on behalf of the community.

BACKGROUND

Council has recently received a request from the Lions Club of Gerringong for an in-kind donation of the hire fee for Mick Cronin Oval and associated waste service charges for their Car Show to be held in February 2018. The Car Show is a major fundraising event for the Gerringong Lions Club.

The inaugural event held in February this year was sponsored by Council and proved highly successful with over \$4000 being donated to a local family who have two members battling leukaemia.

Report of the General Manager

10.1 Request for Donation - Lions Club of Gerringong (cont)

It is expected that again the car show will be held in conjunction with the Gerringong Market Day and also that a selection of collectable, performance and exotic cars will attract additional visitors to the area, therefore benefiting the local economy also.

It is recommended that Council donate the provision of waste services at Mick Cronin Oval for the Gerringong Lions Club's Car Show in February 2018. It is also deemed appropriate that Council request the Lions Club to provide appropriate recognition of Council's support of the event on behalf of the community.

Item 10.1

11 REPORT OF THE DIRECTOR FINANCE, CORPORATE AND COMMERCIAL SERVICES

11.1 Cooke Park Fitness Training Activities

CSP Objective: 2 Well Planned and Managed Spaces, Places and Environment

CSP Strategy: 2.12 Effectively manage recreation and open space infrastructure to cater for current and future generations

Delivery Program: 2.12.1 Manage recreation and open space infrastructure for the community by the implementation of the Recreation and Open Space Asset Management Plan actions

Summary

Fitness training activities at Cooke Park Gerringong

Finance

Fees determined by Council's Fees and Charges.

Policy

Local Government Act 1993

Councils' Policy for the use of public reserves for commercial fitness activities and personal training

Attachments

- 1 Aerial of Cooke Park, Gerringong - ten metre exclusion zone - Outdoor Fitness activities [↓](#)

Enclosures

Nil

RECOMMENDATION

1. That Council allow the continuation of fitness training activities at Cooke Park Gerringong, as currently provided for under Council's Policy for the use of public reserves for commercial fitness activities and personal training (Dec 2016).
2. That fitness training activities at Cooke Park be limited to 6.00am to 7.00am (Monday, Thursday and Friday) and 7.00am to 8.00am (Saturday).

BACKGROUND

A report was prepared for the 19 September 2017 council meeting outlining the suitability of Cooke Park, Gerringong to remain as an approved fitness location

Report of the Director Finance, Corporate and Commercial Services

11.1 Cooke Park Fitness Training Activities (cont)

under the *Policy for use of public reserves for commercial fitness activities and personal training* (“policy”).

A notice of motion was put and carried (OC-17/159) at that meeting for the matter to be deferred by one (1) month to have precise measurements of Cooke Park taken so the Councillors could quantitatively determine the park’s suitability within the policy guidelines.

Clause 11.0 of the “policy” specifically provides “no active commercial fitness training use is permitted:

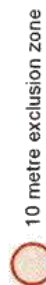
- within 10 metres of memorials/places of significance, children’s playgrounds, public BBQ facilities, picnic shelters and gazebos”.

As a result, an on-site inspection and mark-up of Cooke Park, Gerringong (see attached aerial) was conducted to clearly identify the ten (10) metre exclusion zone surrounding the gazebo, picnic tables and Anchor Memorial in accordance with the “policy”. The amenities building has not been included within the ten (10) metre exclusion zone as this structure has not been specifically provided for within clause 11.0 of the “policy”.

Following the detailed measurements of Cooke Park, and based upon the remaining availability of space, it is considered there is sufficient room for fitness activities to be conducted and recommend that Cooke Park remain as a suitable site for fitness activities.



Cooke Park



Copyright Copyright
LPIA NSW 250817
Scale 1:800 @ A4

edition, GDA 1994
MGA Zone 55

It is supplied by Council on condition that Council will not be responsible for any errors, omissions or inaccuracies in the map or any other information shown on the map. Council is not responsible for any loss or damage, including but not limited to, loss of data, arising from the use of the map. Council is not responsible for any loss or damage, including but not limited to, loss of data, arising from the use of the map. Council is not responsible for any loss or damage, including but not limited to, loss of data, arising from the use of the map. Council is not responsible for any loss or damage, including but not limited to, loss of data, arising from the use of the map.

11.2 Statement of Investments - September 2017

CSP Objective: 4 Responsible Civic Leadership that is Transparent, Innovative and Accessible

CSP Strategy: 4.2 Ensure finances are managed responsibly to meet the goals of the Community Strategic Plan and to protect financial investments and assets

Delivery Program: 4.2.3 Ensure maximum revenue return is achieved

Summary

This report recommends receipt and adoption of the Statement of Investments for September 2017.

Finance

N/A

Policy

Clause 625 of the Local Government Act 1993 (NSW)

Clause 212 of the Local Government (General) Regulation 2005

Kiama Municipal Council – Investment Policy

Attachments

1 Statement of Investments - September 2017 [↓](#)

Enclosures

Nil

RECOMMENDATION

That the information relating to the Statement of Investments for September 2017 be received and adopted.

BACKGROUND

Attached is a copy of the Statement of Investments for September 2017.

Investment Commentary

Council's direct investments are often rolled over on maturity with the same financial institution, if competitive, and based on whether funds are required for operations.

The investment portfolio is regularly reviewed in order to maximise investment performance and minimise risk. Comparisons are made between existing investments with available products that are not part of Council's portfolio. Independent advice is sought on new investment opportunities.

A decision by the Reserve Bank board meeting in September has seen the cash rate unchanged at 1.50%. "*The low level of interest rates is continuing to support the Australian economy*". There does not appear to be any likelihood of any change in rates moving upward in the short term and the hold on the cash rate is "consistent with sustainable growth in the economy and achieving the inflation target overtime." (September 2017 Monetary Policy Decision, Media Release, No. 2017- 21).

The Commonwealth Bank is quoting the following rates:

3 Months	6 Months	9 Months	12 Months	18 Months
2.36%	2.51%	2.60%	2.66%	2.74%

Certification – Responsible Accounting Officer

I hereby certify that the investments listed in this report have been made in accordance with Section 625 of the Local Government Act 1993, clause 212 of the Local Government (General) Regulation 2005 and Council's Investment Policy.

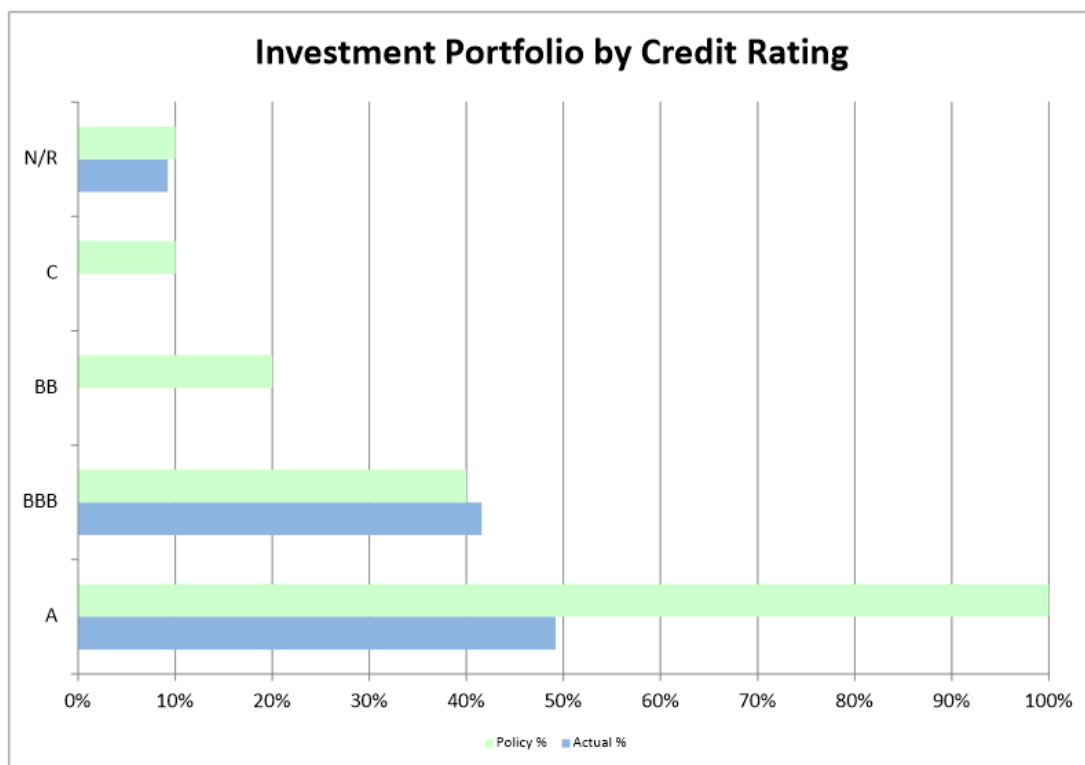
(b) Council Investments as at 30 September, 2017

DIRECT INVESTMENTS: INSTITUTION	S & P RATING	MARKET VALUE \$	INVESTMENT TYPE	DATE LODGED	MATURITY DATE	TERM (DAYS)	RATE %
AMP	A	500,000	Term Deposit	13/09/17	13/06/18	273	2.60
AMP	A	1,000,000	Term Deposit	30/08/17	30/05/18	273	2.60
AMP	A	1,000,000	Term Deposit	30/08/17	30/05/18	273	2.60
AMP	A	1,000,000	Term Deposit	31/05/17	22/11/17	175	2.60
AMP	A	1,000,000	Term Deposit	06/09/17	06/06/18	273	2.60
AMP	A	500,000	Term Deposit	22/03/17	18/10/17	210	2.75
Banana Coast Credit Union	N/R	1,000,000	Term Deposit	14/06/17	20/12/17	189	2.82
Beyond Bank	BBB+	1,000,000	Term Deposit	29/03/17	04/10/17	189	2.70
Beyond Bank	BBB+	1,000,000	Term Deposit	05/04/17	11/10/17	189	2.70
Bankwest	AA-	1,000,000	Term Deposit	08/08/17	11/01/18	156	2.40
Bank of Qld	BBB+	1,000,000	Term Deposit	12/07/17	11/04/18	273	2.65
Bank of Qld	BBB+	2,000,000	Term Deposit	10/05/17	22/11/17	196	2.65
Bank of Qld	BBB+	1,500,000	Term Deposit	17/05/17	29/11/17	196	2.65
Bank of Qld	BBB+	1,000,000	Term Deposit	09/08/17	14/02/18	189	2.60
Bank of Qld	BBB+	1,500,000	Term Deposit	26/04/17	08/11/17	196	2.65
Bank of Qld	BBB+	1,000,000	Term Deposit	31/08/17	07/03/18	188	2.55
Bendigo	BBB+	1,000,000	Term Deposit	02/08/17	02/05/18	273	2.55
Bendigo	BBB+	1,000,000	Term Deposit	04/01/17	04/10/17	273	2.60
Bendigo	BBB+	1,000,000	Term Deposit	31/08/17	31/05/18	273	2.50
Community Alliance Credit Union	N/R	1,000,000	Term Deposit	06/09/17	12/09/18	371	2.65
Community Alliance Credit Union	N/R	1,000,000	Term Deposit	13/09/17	12/09/18	364	2.60
Credit Union Australia	BBB	1,500,000	Term Deposit	30/01/17	29/11/17	303	2.80
ME Bank	BBB	1,000,000	Term Deposit	15/03/17	13/12/17	273	2.60
ME Bank	BBB	1,500,000	Term Deposit	23/08/17	24/01/18	154	2.50
ME Bank	BBB	1,000,000	Term Deposit	20/04/17	18/10/17	181	2.60
NAB	AA-	1,000,000	Term Deposit	04/01/17	03/01/18	364	2.74
NAB	AA-	1,000,000	Term Deposit	14/12/16	13/12/17	364	2.73
NAB	AA-	1,000,000	Term Deposit	28/09/16	27/09/17	364	2.74
NAB	AA-	2,000,000	Term Deposit	07/06/17	25/10/17	140	2.48
NAB	AA-	1,000,000	Term Deposit	12/10/16	11/10/17	364	2.82
SA Police Credit Union	N/R	1,000,000	Term Deposit	14/06/17	20/06/18	371	2.92
Suncorp	A+	1,000,000	Term Deposit	03/05/17	15/11/17	196	2.61
Suncorp	A+	1,000,000	Term Deposit	31/05/17	06/12/17	189	2.60
Suncorp	A+	1,000,000	Term Deposit	05/07/17	10/01/18	189	2.50
Suncorp	A+	1,000,000	Term Deposit	18/01/17	17/01/18	364	2.70
Total Term Deposits		38,000,000					2.64
TcorpIM Cash Fund	AAA	3,024,219	Cash Fund		AT CALL		2.24
Westpac	AA-	1,696,294	Bank Account	-	AT CALL		0.84
Westpac	AA-	581,579	Maxi Account	-	AT CALL		1.30
Total 'At Call' Funds		5,302,092					1.07
TOTAL CASH & INVESTMENTS		41,302,092			Average Rate- Sep 2017		2.60
					Average Rate- Sep 2016		2.80
TOTAL INVESTMENTS Aug 2017		44,632,867					
TOTAL INVESTMENTS Sep 2016		44,285,871					
							Change in total investment over prev 1 month
							Change in total investment over prev 12 months

Note: The Westpac Bank Account balance shown above of \$1.7M includes deposits at month-end not processed to Council's financial system and cheques that have not been presented.

Item 11.2

Attachment 1



(c) Application of Invested Funds

Restricted Funds:	Description	Value (\$)
Externally Restricted	S94 Developer Contributions**	5,042,094
	Grants	389,611
	Domestic Waste**	2,346,477
	Waste & Sustainability	315,791
	Southern Council's Group**	2,730,925
Internally Restricted	Blue Haven ILU	4,146,557
	Blue Haven Care-Residential	8,913,296
	Carer Respite Centre	820,565
	Land Development**	2,913,984
	Waste Business Unit (Plant Replacement)	1,042,260
	Plant Replacement - Engineers	1,326,661
	Employee Leave Entitlements	2,000,000
	S94 Recoupments**	2,582,802
	Carry-over works*	2,398,657
	Holiday Parks**	1,779,238
	Contingencies	779,730
	Computer	679,698
	Property Insurance	120,000
	Community Bus	149,598
CACP	355,563	
Organisational Development	300,000	
Fleet Replacement	50,000	
Unrestricted Funds:	Funds to meet current budgeted expenditure	118,585
TOTAL INVESTMENTS		41,302,092

Note:

The above Application of Invested Funds reflects audited balances as at 30 June 2016. Actual movement in these balances are recorded at the end of the financial year.

The Unrestricted Funds balance forms available cash to fund Council's ongoing budget operations.

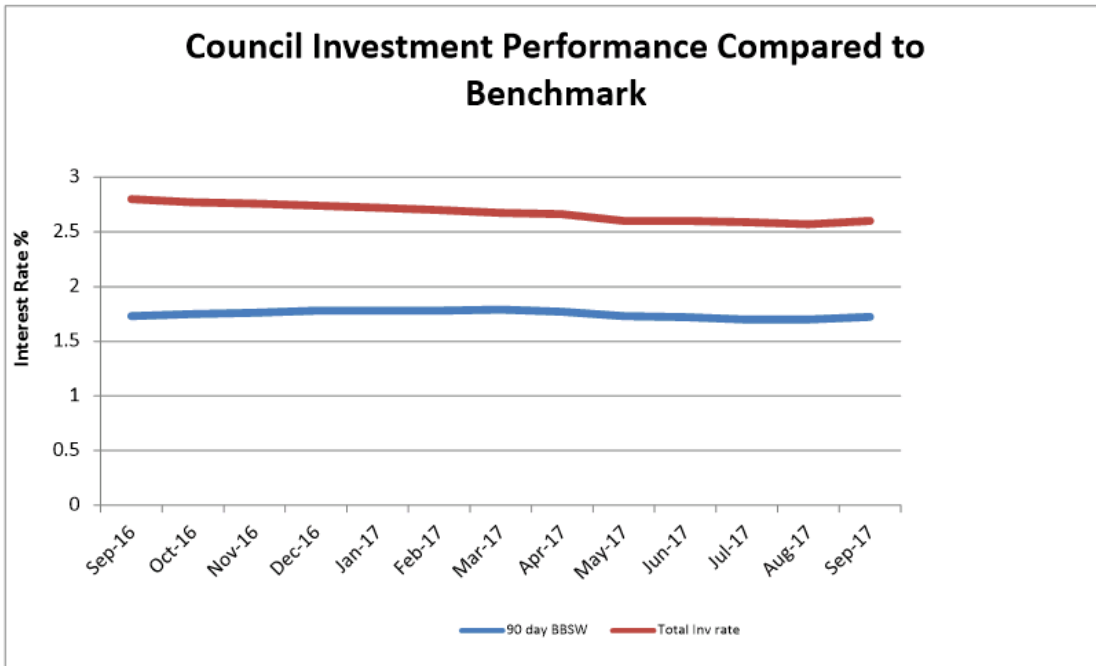
*Revotes from 2016/17 operations

**draft balance pre-audit as at 30 June 2017

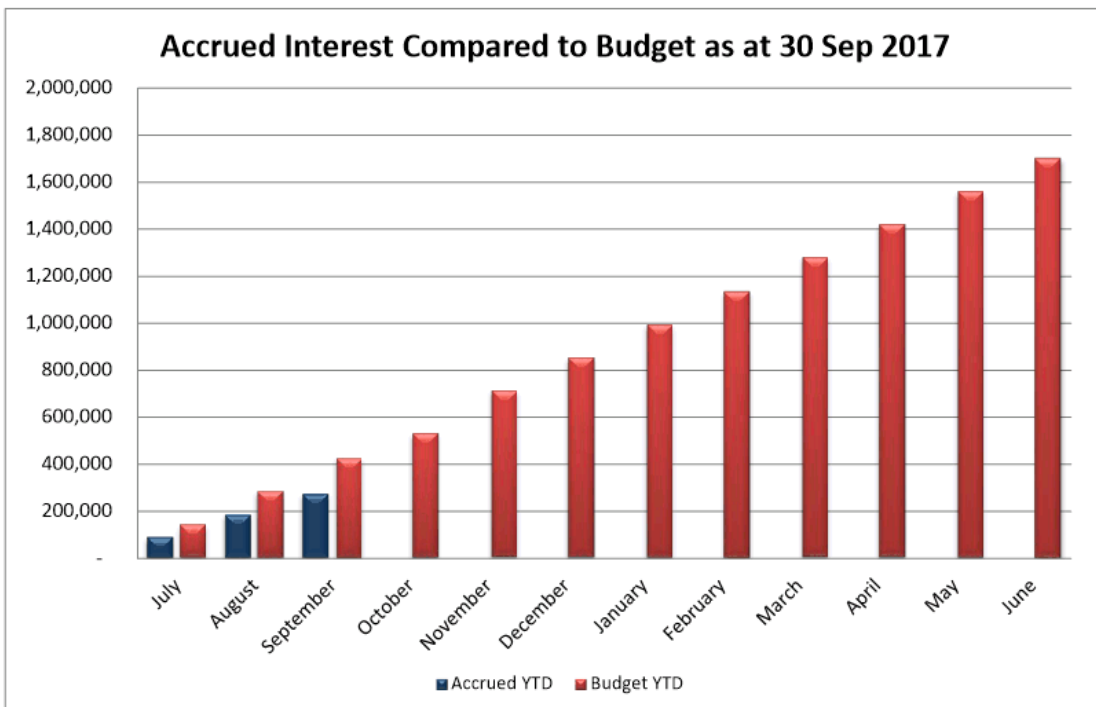
(d) Investment Portfolio Performance

Investment Performance vs Benchmark

	Investment Portfolio Return (%pa)	Benchmark: BBSW 90 day Bank Bill Index (source RBA)
1 month	2.57	1.72
3 months	2.59	1.71
6 months	2.60	1.72
12 Months	2.67	1.75



Council has been able to consistently perform above the Reserve Bank 90 day Bank Bill Index.



Councils budgeted interest includes a 2 stage loan drawdown of \$30m each for the KACCOE project being strategically invested to offset a portion of loan interest expense and to match timing of project costs. Once loan negotiations are finalised the budgeted interest will be adjusted to match the strategy chosen to reduce interest expense

11.3 Economic Development Committee Meeting Minutes- 26 September 2017

CSP Objective: 3.0 A diverse, thriving economy

CSP Strategy: 3.1 Promote and encourage business development and economic prosperity in the local area

Delivery Program: 3.1.1 Implement the Kiama Economic Development Strategy

Summary

This report advises of the outcomes of the 26 September 2017 Economic Development Committee Meeting

Finance

Not Applicable

Policy

Not Applicable

Attachments1 Economic Development Committee Meeting Minutes 26 September 2017 [↓](#)**Enclosures**

Nil

RECOMMENDATION

That Council endorse the minutes and the recommendations contained in the minutes of the Economic Development Committee Meeting of 26 September 2017.

BACKGROUND

At the Economic Development Committee meeting of the 26 September 2017, the issue of consistency of marketing and branding and the consistent use of logos for the Kiama municipality was raised.

Committee member and the Tourism Advisory Committee representative Matt Brown advised that this was an issue that had been discussed at length at their meetings, and relates to the core of our identity as a region and aligns perfectly with Council's work recently identifying and communicating our values.

The importance of consistently applying our message and visual branding across all communication channels reinforces our identity and will drive positive reinforcement and trust and will avoid sending mixed messages.

The Committee recommends that:-

Council encourage the use of the Kiama Logo (see below) to be used on all future publications. This logo is currently being used on all Destination Kiama collateral.

Report of the Director Finance, Corporate and Commercial Services

11.3 Economic Development Committee Meeting Minutes- 26 September 2017
(cont)



Item 11.3

Minutes of the Kiama Municipal Council Economic Development Committee meeting held on 26 September 2017 in the Council Chambers.

- 1 **Present:** Councillor Mark Honey, Councillor Don Watson, Councillor Warren Steel, Roy Schmidt, Steve Thomas, Sandy Rendel, Matt Brown, Gavin McClure, Andrew Waugh, Geoff Pratt
- Attending:** Megan Hutchison,
- Apologies:** Michael Hatfield, Kerry McMurray
- Invited Guest:** Karen Ronning
2. **Acceptance of previous Minutes**
- Moved: Matt Brown
- Seconded: Councillor Don Watson
3. **Business Arising**
- i) Gerringong Town Centre DCP – The matter was tabled at the last Planning Committee meeting with the outcome that a report be brought back to the next meeting for further discussion.

Recommendation for next planning Committee Meeting:

That following completion of the Kiama Town Centre masterplan that council commence planning to implement a Place Making Strategy for the Gerringong town centre which will then inform the revision of the Gerringong Town Centre DCP

Moved: Matt Brown
Seconded: Geoff Pratt

- ii) Commercial DA Referrals
- Following the Committee recommendation to the last council meeting, Council have agreed to include the Economic Development Manager as an internal referral for DA's lodged in the B1, B2, B7 In2, In4 zones.
- iii) Building Better Regions Funding –Announced successful application for funding project *Kiama- Making a great place to work, rest and play.*
- The Kiama Economic Development Strategy has identified the need for Kiama to advance our economic diversification through innovative and creative growth and by ensuring that sufficient opportunities exist to attract appropriate Investment. This project will provide valuable analysis into the future demand for commercial, retail and Industrial space and will also provide the basis for "Making a great place to work, rest and play". Our tourism sector plays a key role in our economy and we will also be looking to reinvigorate our towns through the strategic use of the food and beverage sector, with specific focus on the night

time economy. Providing additional spaces for commercial expansion will create additional employment opportunities and allow continued diversified growth.

A report will be prepared for the next council meeting.

4. Presentation by Tourism and Events Manager Karen Ronning

A comprehensive outline of the Draft Kiama Tourism and events strategy was given with details on how the community could be involved with the process and to have their say. Council invite Members, tourism industry, event organisers and community to our Open Forum on **October 26**. This will provide a great opportunity to come along and share ideas on the future of tourism and events in the Kiama area. There will be two session times, either 3 to 5pm **OR** 6pm to 8pm.

There is also an option of providing feedback via online survey. The results of the survey will be presented at the open forum on the 26 October. Full details can be found on Councils' website www.kiama.nsw.gov.au.

The issue of marketing and branding for Kiama and consistency in branding was also discussed and the Tourism Advisory Committee have recommended that all future publications by council be branded with the same logo to firmly establish the same brand awareness in all that we do.

Recommendation to Council:

That council encourage all future publications to use the Kiama logo that is now being used on all Destination Kiama collateral.



Moved: Matt Brown

Seconded: Gavin McClure

5. Functional Economic Regions- Regional Economic Development Strategy (REDS)

The NSW Government is making significant investment in regional NSW, including \$1.3 billion funding commitment in the 2017-18 Budget. To ensure that this investment is successful in growing business confidence, creating and encouraging business investment, maximising the potential for jobs growth and securing a strong future for our region, the NSW government, through the Centre for Economic and Regional Development (CERD), is working with us to develop Regional Economic Development Strategies (REDS).

Although we have recently developed the Kiama Economic Development Strategy, consultants have been appointed by the department to update the document and provide further clarity and direction for future funding requests. Also of importance is that our future projects be identified in this strategy to ensure that accurate business cases can be prepared. It is envisaged that the consultants will prepare a discussion paper which will be then available for public consultation which will include specific briefings with the Economic Development Committee.

6. Short Term Holiday Letting Options Paper

The State Government has developed an options paper on this issue and it is currently out on public exhibition. It was broadly felt that the current requirements under Chapter 12 – Short Term Rental Accommodation of Council’s DCP was working adequately. There was one concern with the current regulation and that was with regard to enforceability and that perhaps there could be more attention given to breaches of the DCP and possible ramifications.

7. General Business

Business Chamber

- Chamber have made note of the lack of tourism brochures available in Sydney properties and that we are missing out on opportunities
- The Business directories are completed and are being distributed
- On 13 October there will be a Marketing Seminar
- Mayoral Breakfast being held in November
- Chamber are pursuing business opportunity for the RMS land on the western side of the freeway in Gerringong.

Economic Development

- Hull Rugby League team to Kiama arriving Feb 4th 2018. Itinerary being prepared in collaboration with the team. They should attract a large number of their supporters.
- Red Hot Summer Tour again to be held in Kiama on 14 April 2018. Official announcement of line up imminent.

Meeting closed at 8.10. Next meeting will be 5.30pm on 28 November, 2017 in the RSL Rooms.

11.4 Audit, Risk and Improvement Committee - External Independent Members - Expressions of Interest

CSP Objective: 4.0 Responsible civic leadership that is transparent, innovative and accessible

CSP Strategy: 4.2 Council embraces good governance and better practice strategies

Delivery Program: 4.2.1 Manage effective risk framework across council

Summary

This report presents the Expressions of Interest to join the Audit, Risk and Improvement Committee as external, independent members.

Finance

The cost of the committee will be funded within current budget allocations.

Policy

Council has an adopted Internal Audit and Risk Committee Charter and an Internal Audit Strategic Plan.

Attachments

1 Audit Risk and Improvement Committee - Report 16 May 2017 [↓](#)

Enclosures

Nil

RECOMMENDATION

That the following people be appointed as the external, independent members to Council's Audit, Risk and Improvement Committee:

Brian MacDonald

Brian Robertson

Dr Philip Ross

BACKGROUND

Council at its meeting on 16 May 2017 considered the establishment of an Audit, Risk and Improvement Committee and resolved the following:

"11.2 Establishment of an Audit, Risk and Improvement Committee**RECOMMENDATION**

That Council:

1. *establishes an Audit, Risk and Improvement Committee as outlined in this*

Report of the Director Finance, Corporate and Commercial Services

11.4 Audit, Risk and Improvement Committee - External Independent Members - Expressions of Interest (cont)

report and detailed in the draft Audit, Risk and Improvement Committee Charter (Attachment 3)

2. *adopts the draft Internal Audit Charter (Attachment 4)*
3. *seeks expressions of interest for three (3) independent Committee members*
4. *provides remuneration of \$1,500 per annum to the Chair and \$750 per annum to each of the independent Committee members (excluding GST), indexed annually at a rate determined for Councillors by the Local Government Remuneration Tribunal."*

In accordance with the Council resolution, Expressions of Interest were called for the three external independent committee members.

The Expression of Interest was advertised extensively on the Council website, the Bugle, and various social media outlets.

At the close of the exhibition period, Council had received five Expressions of Interest. The Councillor members of the committee, Mayor Honey and Councillors Rice and Sloan and the Director Finance, Corporate and Commercial Services independently reviewed the Expressions of Interest.

The three selected candidates' Expressions of Interest are included for Councillors reference in the confidential section of the business paper.

ORDINARY MEETING

16 MAY 2017

Report of the Director Finance, Corporate and Commercial Services

11.2 Establishment of an Audit, Risk and Improvement Committee

CSP Objective: 4 Responsible Civic Leadership that is Transparent, Innovative and Accessible

CSP Strategy: 4.6 Minimise risk to ensure continuity of critical business functions

Delivery Program: 4.6.1 Develop and review Business Continuity Plans to minimise risk

Summary

The NSW Government has recently introduced the Local Government Amendment (Governance and Planning) Bill. One of the amendments proposed in the Bill is the requirement for councils to have an internal audit function and to appoint an Audit, Risk and Improvement Committee. Although this proposed amendment has not yet passed the NSW Parliament, it is considered prudent that Council now establishes an Audit, Risk and Improvement Committee.

Finance

The effective operation of the Internal Audit and Risk Committee includes resourcing in the current budget.

Policy

Council has an adopted Internal Audit and Risk Committee Charter and an Internal Audit Strategic Plan.

Attachments

- 1 Current Internal Audit and Risk Committee Charter - adopted 21/8/2012
- 2 Office of Local Government Internal Audit Guidelines
- 3 Draft Audit, Risk and Improvement Committee Charter
- 4 Draft Internal Audit Charter

Enclosures

Nil

RECOMMENDATION

That Council:

1. establishes an Audit, Risk and Improvement Committee as outlined in this report and detailed in the draft Audit, Risk and Improvement Committee Charter (Attachment 3)
2. adopts the draft Internal Audit Charter (Attachment 4)
3. seeks expressions of interest for three (3) independent Committee members
4. provides remuneration of \$1,500 per annum to the Chair and \$750 per annum to each of the independent Committee members (excluding GST), indexed annually at a rate determined for Councillors by the Local Government Remuneration Tribunal.

ORDINARY MEETING

16 MAY 2017

Report of the Director Finance, Corporate and Commercial Services

BACKGROUND

In 2005 Council resolved to establish an Internal Audit function and an Internal Audit Committee. Council also adopted an Internal Audit Committee Charter. In 2007 an Internal Audit Strategic Plan was prepared and approved by the Audit Committee. In August 2009 Council amended the membership of the committee with reference to the guidelines issued by the Department of Local Government (now the Division of Local Government) and again in September 2010. The committee's role was also expanded and renamed as the Internal Audit and Risk Committee in 2009.

At the Council meeting held on the 21 August 2012 Council resolved:

"MN148

Resolved that Council:

- 1) *adopt the revised Internal Audit and Risk Committee Charter (Attachment 1) with the amendment to the composition of the Committee to the following:*
 - *two Councillors and the Mayor (voting members)*
 - *Risk Manager (non voting attendee), and*
 - *delete reference to Independent External member, and*
- 2) *adopt the Committee Report."*

The committee developed a plan to review different areas highlighted in the Internal Audit Strategic Plan based on the risk rating. The external auditor (Pitcher Partners) was contracted to review the following areas:

External Collection Points

The review included a review of systems, processes and procedures at external locations. This included Holiday Parks, Blue Haven Retirement Village and Kiama Leisure Centre.

The review highlighted areas where improvement was needed. These areas have been strengthened with tighter controls now in place.

Information Technology Assessment

The review assessed the interaction of information technology (IT) with the business processes of Kiama Council. The assessment included a review and analysis of the IT infrastructure and processes such as system security, backups, hardware, IT staff skills, IT strategy and disaster recovery procedures.

The review highlighted areas where improvement was needed. The review revealed a number of medium priorities and a small number of high priority issues. The high priority areas were addressed over the following months with other recommendations implemented ongoing. The review has also led to an improved Disaster Recovery Plan.

Blue Haven Aged Care Facility and Independent Living Units

ORDINARY MEETING

16 MAY 2017

Report of the Director Finance, Corporate and Commercial Services

11.2 Establishment of an Audit, Risk and Improvement Committee (cont)

The objective of this review was to assess whether appropriate controls were in place for revenue and expenditure and to ensure compliance with relevant GST legislation.

The review highlighted areas where controls needed to be tightened and formal documented procedures needed to be developed. All of the recommendations from the report have been actioned including the need for succession planning for key personnel.

Tender Process and Draft Procurement Policy and Procedures

The object of this review was to assess Council's tender process against relevant legislation, best practice and Council's own policies and procedures.

The review showed the overall tender process was adequately documented and evaluated. The report made observations and suggested recommendations to better document and structure processes during the tender process.

The Draft Procurement Policy and Procedures was reviewed and found to be well constructed and generally contain sufficient detail. Revision was suggested in particular areas which have been incorporated into the document. TenderLink, the largest web-based tendering network in Australasia is now being used to manage the entire tendering process, from initial advertising right through to bid response evaluation. Council has recently used TenderLink to start the process for three different tenders.

Contract Management and Ordering of Goods and Services

The objective of this review was to assess Council's processes and to ensure compliance with legislation, review of policy frameworks and guidelines, value for money, probity, consistency and transparency.

The report showed areas that were good but many areas where improvement was needed.

Management reviewed the findings of the report and the responses were reviewed by the committee. The review has led to improvements in many areas. One of the major improvements was the introduction of 'Online Requisitioning System' being introduced in May 2012. This requires staff to raise requisition electronically with an order raised by the Purchasing Section. This will ensure, with expenditure and authorising controls in place, that there will be improved compliance and tighter controls.

The Internal Audit and Risk Committee Charter includes a process for the committee to review the Annual Financial Statements before being adopted by Council.

In 2013, the Local Government Acts Taskforce recommended that financial management principles be underpinned by a comprehensive financial governance framework including, "financial management governance and oversight – setting out the processes by which the council is directed, controlled and held to account including clear financial governance policies, risk management requirements and audit functions".

ORDINARY MEETING

16 MAY 2017

Report of the Director Finance, Corporate and Commercial Services

11.2 Establishment of an Audit, Risk and Improvement Committee (cont)

In October 2013, the Independent Local Government Review Panel made recommendations (Table 1) further strengthening the case for an Audit, Risk and Improvement Committee.

These recommendations have been broadly incorporated in the Local Government Amendment (Governance and Planning) Bill 2016 (Attachment 2) that has now been introduced to the NSW Parliament in November 2016. Whilst the entire Bill is to still be assented to it is prudent for Council to take a proactive stance.

Box 17: Strengthening Internal and Performance Auditing

- Revise the current guidelines under the Act and make them mandatory
- Extend the concept of internal audit towards adding value and continuous improvement
- Require all councils with expenditures of more than a set amount (perhaps \$20m per annum) to have an 'audit, risk and improvement' committee and associated internal audit function with broad terms of reference covering financial management, good governance, performance in implementing the Community Strategic Plan and Delivery Program, service reviews, collection of required Indicator data, continuous improvement and long term sustainability
- Enable councils with smaller budgets to have joint arrangements for internal audit and to share audit committees, under the aegis of regional Joint Organisations (see section 11)
- Require audit committees to have a majority of independent members and an independent chair, and preclude General Managers from membership of audit committees (but not attendance at meetings)
- Ensure that the chair of the audit committee reports at least biannually to a council meeting on the organisation's performance in financial management, good governance and continuous improvement
- Empower the Auditor General to conduct issue-based performance audits in key areas of local government activity.

Table 1 – Extract from the Independent Local Government Review Panel's findings in relation to internal and performance reporting

ORDINARY MEETING

16 MAY 2017

Report of the Director Finance, Corporate and Commercial Services

11.2 Establishment of an Audit, Risk and Improvement Committee (cont)

Section 428A of the Bill describes the requirement for an Audit, Risk and Improvement Committee and its role:

- "(1) A council must appoint an Audit, Risk and Improvement Committee*
(2) The Committee must keep under review the following aspects of the council's operations:
- (a) compliance,*
 - (b) risk management,*
 - (c) fraud control,*
 - (d) financial management,*
 - (e) governance,*
 - (f) implementation of the strategic plan, delivery program and strategies,*
 - (g) service reviews,*
 - (h) collection of performance measurement data by the council,*
 - (i) any other matters prescribed by the regulations.*
- (3) The Committee is also to provide information to the council for the purpose of improving the council's performance of its functions."*

NSW Office of Local Government (OLG) has sought to provide guidance on the manner in which a Council's internal audit function is undertaken. These guidelines (Attachment 3) currently recommend that the Mayor should not be a member of an Audit Committee and that the General Manager have an entitlement to attend meetings of the Committee, but not be a voting member.

Good practice in governance also indicates that no Council staff should be members of the Committee, however the General Manager should be required to attend all meetings of the Committee in an advisory capacity and other Councillors and Council staff should be invited for specific agenda items, as requested by the Committee via the General Manager.

Risk management, internal audit and improvement programs are essential components of good governance. The combination of an effective Audit, Risk and Improvement Committee with Council's internal audit, risk management and performance improvement functions provides a formal means by which the OLG, Councillors, Council staff and members of the public can obtain assurance that Council has in place a robust system of controls, processes and procedures to manage the risks to its operations.

Proposal:

That Council endorses the formation of an Audit, Risk and Improvement Committee as outlined in this report and detailed in the Audit, Risk and Improvement Charter (Attachment 1).

The role of the Committee will be to:

Audit

- advise Council, via the General Manager, whether financial information reasonably portrays Council's financial position, results of operations and significant commitments

ORDINARY MEETING

16 MAY 2017

Report of the Director Finance, Corporate and Commercial Services

11.2 Establishment of an Audit, Risk and Improvement Committee (cont)

- at least annually, review the Operational Plan and Budget and consider whether they adequately reflect Council's priorities and are consistent with information known to Committee members
- review the annual financial statements and consider whether they are complete, consistent with information known to Committee members, and reflect appropriate accounting policies and principles
- review and monitor the delivery of Council's Long Term Financial Plan
- have oversight of the functions of both internal and external audit.

Risk Management

- provide assurance to Council, via the General Manager that a comprehensive risk management plan is in place and a program to manage all significant risks by identification, prioritisation and implementation of mitigation strategies is also in place.

Improvement

- review the annual performance of Council against the key performance indicators documented in the Operational Plan, and provide advice to the General Manager on the adequacy of Council's performance against these indicators.
- identify and recommend to the General Manager, Council services or business processes that may benefit from review through the Committee's exercise of its functions.

Membership

The Committee will be comprised of five members, of which two will be a Councillors and three will be independent of Council.

Collectively, the independent members of the Committee will have expertise in financial management, risk management, performance improvement or community service.

The independent members and Chair of the Committee will be selected by a panel comprised of the Mayor, General Manager and Director Finance, Corporate and Commercial Services.

Policy Implications

There is no direct policy implication associated with the recommendation.

Financial Implications

It is proposed that the Chair of the Committee receive an annual payment of \$1,500 while the other independent Committee members receive \$750 per annum, (both amounts exclude GST). These fees will be indexed annually in accordance with the percentage increase in the fee payable to Councillors as determined by the Local Government Remuneration Tribunal. The Councillor Committee member will not receive any additional remuneration beyond their Councillor allowance.

ORDINARY MEETING

16 MAY 2017

Report of the Director Finance, Corporate and Commercial Services

11.2 Establishment of an Audit, Risk and Improvement Committee (cont)

The total cost of running the Committee is expected to be in the vicinity of \$4,000 per annum. This cost can be absorbed within the existing budget allocated for audit, risk, and improvement activities across Council.

Risk and Insurance Implications

The establishment of the proposed Committee will strengthen internal controls, provide greater levels of transparency and assist in the identification and mitigation of risks across the entire organisation.

Options

1. Establish the Audit, Risk and Improvement Committee as detailed in the attached draft Committee Charter. This is the recommended option.
2. Establish a modified Audit, Risk and Improvement Committee.
3. Not establish an Audit, Risk and Improvement Committee. This option is not preferred as it is anticipated that OLG will eventually require this type of Committee.

Conclusion:

The NSW Government has introduced a Bill to Parliament to amend the Local Government Act 1993. One of the proposed amendments relates to the requirement for all councils in New South Wales to appoint an Audit, Risk and Improvement Committee.

Although the Local Government Act has not yet been amended to incorporate this provision, it is considered prudent that Council now proceeds to establish this Committee.

INTERNAL AUDIT AND RISK COMMITTEE CHARTER (adopted 21 August 2012)

1. Objective

The objective of the Internal Audit and Risk Committee (Committee) is to provide independent assurance and assistance to the Kiama Municipal Council on risk management, control, governance, and external accountability responsibilities.

2. Authority

The Council authorises the Committee, within the scope of its role and responsibilities, to:

- Obtain any information it needs from any employee or external party (subject to their legal obligations to protect information).
- Discuss any matters with the external auditor or other external parties (subject to confidentiality considerations).
- Request the attendance of any employee or councillor at Committee meetings.
- Obtain external legal or other professional advice considered necessary to meet its responsibilities.

3. Composition and Tenure

The Committee will consist of:

3.1 Members (voting)

- Two Councillors and Mayor

3.2 Attendee (non-voting)

- General Manager
- Manager Corporate Services
- Risk Manager

3.3 Invitees (non-voting) for specific Agenda Items

- Representatives of the external auditor.
- Other officers may attend by invitation as requested by the Committee.

The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of Kiama Municipal Council. At least one member of the Committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

4. Role and Responsibilities

The Committee has no executive powers, except those expressly provided by the Council.

In carrying out its responsibilities, the Committee must at all times recognise that

primary responsibility for management of Council rests with the Council and the General Manager as defined by the Local Government Act.

The responsibilities of the Committee may be revised or expanded by the Council from time to time. The Committee's responsibilities are:

4.1 Risk Management

- Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud;
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Review the impact of the risk management framework on its control environment and insurance arrangements; and
- Review whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been tested periodically.

4.2 Control Framework

- Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors;
- Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated;
- Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with;
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

4.3 External Accountability

- Satisfy itself the annual financial reports comply with applicable Australian Accounting Standards and supported by appropriate management sign-off on the statements and the adequacy of internal controls.
- Review the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments.
- To consider contentious financial reporting matters in conjunction with council's management and external auditors.
- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements.
- Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations.

- Satisfy itself there is a performance management framework linked to organisational objectives and outcomes.

4.4 Legislative Compliance

- Determine whether management has appropriately considered legal and compliance risks as part of risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies.

4.5 Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Review the internal audit coverage and Internal Audit Plan, ensure the plan has considered the Risk Management Plan, and approve the plan.
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan.
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and implementation of better practices.
- Monitor the implementation of internal audit recommendations by management.
- Periodically review the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place.
- Periodically review the performance of Internal Audit.

4.6 External Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided.
- Review all external plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management.
- Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken.

4.7 Responsibilities of Members

Members of the Committee are expected to:

- Have access to relevant legislative and regulatory requirements appropriate to Kiama Municipal Council.
- Contribute the time needed to study and understand the papers provided.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

1 - Current Internal Audit and Risk Committee Charter - adopted 21/8/2012

- Apply good analytical skills, objectivity and good judgment.
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry.

5. Reporting

At the first Committee meeting after 30 June each year, Internal Audit will provide a performance report of:

- The performance of Internal Audit for the financial year as measured against agreed key performance indicators.
- The approved Internal Audit Plan of work for the previous financial year showing the current status of each audit.

The Committee may, at any time, consider any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Chair of the Committee.

The Committee will report regularly, and at least annually, to the governing body of council on the management of risk and internal controls.

6. Administrative arrangements

6.1 Meetings

The Committee will meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial reports and external audit opinion.

The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members may make requests to the Chair for additional meetings.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Audit Committee Charter.

6.2 Attendance at Meetings and Quorums

A quorum will consist of a majority of Committee members. Meetings can be held in person, by telephone or by video conference.

The Committee may also request the Manager Corporate Services or any other employees to participate for certain agenda items, as well as the external auditor. The General Manager may attend each meeting but the Committee may meet separately with the External Auditor in the absence of management on at least one occasion per year.

Page 4

6.3 Secretariat

The Committee has appointed the General Manager to be responsible for ensuring that the Committee has adequate secretariat support. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, at least one week before the meeting, and ensure minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member within three weeks of the meeting being held.

6.4 Conflict of Interests

Councillors, council staff and members of council committees must comply with the applicable provisions of Council's Code of Conduct in carrying out the functions as council officials. It is the personal responsibility of council officials to comply with the standards in the code of conduct and regularly review their personal circumstances with this in mind. Committee members must declare any conflict of interests at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist. The final arbiter of such a decision is the Chair of the Committee.

6.5 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

6.6 Assessment Arrangements

The Chair of the Committee will initiate a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

6.7 Review of Audit Committee Charter

At least once every two years the Audit Committee will review this Audit Committee Charter.

The Audit Committee will approve any changes to this Audit Committee Charter.

Approved: Audit Committee Meeting Date: 31 July 2012



Premier & Cabinet
Division of Local Government

Item 11.4

Attachment 1

Internal Audit Guidelines

September 2010

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

ACCESS TO SERVICES

The Division of Local Government, Department of Premier and Cabinet is located at:

Levels 1 & 2
5 O'Keefe Avenue
NOWRA NSW 2541

Locked Bag 3015
NOWRA NSW 2541

Phone 02 4428 4100
Fax 02 4428 4199
TTY 02 4428 4209

Level 9, 323 Castlereagh Street
SYDNEY NSW 2000

Locked Bag A5045
SYDNEY SOUTH NSW 1235

Phone 02 9289 4000
Fax 02 9289 4099

Email dlg@dlg.nsw.gov.au
Website www.dlg.nsw.gov.au

OFFICE HOURS

Monday to Friday
8.30am to 5.00pm
(Special arrangements may be made if these hours are unsuitable)
All offices are wheelchair accessible.

ALTERNATIVE MEDIA PUBLICATIONS

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TABLE OF CONTENTS

Chief Executive's Foreword 5

1. Introduction 6

 1.1. What is Internal Audit? 8

 1.2. Why my council should have an internal audit function 8

 1.3. How does internal audit fit in with other governance functions and activities? 9

 1.3.1. The Audit Committee 9

 1.3.2. External Audit 9

 1.3.3. Management 10

 1.3.4. Risk Management 10

2. Establishing an Internal Audit Function 11

 2.1. Internal Audit Charter 12

 2.2. Professional Standards 12

 2.3. Reporting lines 12

 2.4. Options for Resourcing Internal Audit 13

 2.4.1. Appointment of Full-Time or Part-Time Internal Auditor 13

 2.4.2. Outsourced or co-sourced function 15

 2.4.3. Regional or Inter-Council Sharing of Internal Audit Resources 15

 2.4.4. Other Resources 16

3. Internal Audit Operations 17

 3.1. Adding Value 17

 3.2. Roles and Responsibilities 17

 3.3. Independence and Objectivity 17

 3.3.1. Avoidance of Bias and Conflict of Interest 17

 3.4. Reporting Relationships 18

 3.5. Internal Audit Plans 20

 3.6. Performing Internal Audits 21

 3.7. Communication of Audit Results 22

 3.8. Follow-Up on Audit Reports 23

 3.9. Access to Audit Reports 23

 3.10. Annual report from the Audit Committee to Council 23

 3.11. Performance Measurement 24

 3.12. Independent Quality Review of Internal Audit 24

 3.13. Internal Audit and Protected Disclosures 24

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

4. Establishing an Audit Committee	26
4.1. What is an Audit Committee?	26
4.2. Independence and Objectivity	26
4.3. Structure and Membership	28
4.4. Audit Committee Operations	29
4.4.1. Meetings	29
4.4.2. Functions	29
4.4.3. Conflict of Interests	30
5. Enterprise Risk Management	31
5.1. What is Risk Management.....	31
5.2. Why Implement Risk Management?	32
5.3. Risk Management in New South Wales Local Government	32
5.4. Risks Inherent Within Local Government.....	33
5.5. Whole-Of-Government Risk Management.....	33
5.6. Other Guidance	34
Appendix 1 - Summary of Internal Audit Standards and Professional Practices Framework	35
Attribute Standards	36
Performance Standards.....	41
Appendix 2 - Sample Audit Committee Charter	53
Appendix 3 - Sample Internal Audit Charter	58
Appendix 4 - Risk Management Assessment Tool.....	62
Appendix 5 - Common risks in the council environment	65

Item 11.4

Attachment 1

Chief Executive's Foreword

Internal audit is an essential component of a good governance framework for all councils. At both a management and councillor level, councils must strive to ensure there is a risk management culture. Internal audit can assist in this regard.

Internal audit is widely used in corporate Australia as a key mechanism to assist councils to manage risk and improve efficiency and effectiveness. At Federal and State Government levels there are clear requirements for internal audit and risk management.

There is also growing acceptance of the importance of internal audit and risk management in local government. It is pleasing to see that a number of councils in New South Wales are showing leadership in fully embracing this concept. However, a survey of councils conducted in 2009 by the Division of Local Government designed to assess the progress of councils in implementation of the internal audit function highlighted that while progress is being made, there is still opportunity for improvement. Effective internal audit and risk management processes should become part of the 'business as usual' operations of councils.

With the implementation of Integrated Planning and Reporting, internal audit will play a vital role at ensuring that the strategies adopted by council are being followed.

These guidelines propose oversight of council systems and processes through an audit committee. The combination of an effective audit committee and internal audit function provide a formal means by which councillors can obtain assurance that risk management is working effectively. Similarly the internal audit process is an on-going mechanism to ensure that the recommendations of the Promoting Better Practice reviews undertaken by the Division of Local Government have been fully implemented.

This guide has been designed to help councils and county councils develop and implement internal audit and risk management frameworks that will in turn build community confidence in their managerial performance. I encourage all councils to use this guide to assist them in building their own internal audit capability within their organisations.

Ross Woodward
Chief Executive, Local Government
A Division of the Department of Premier and Cabinet

1. Introduction

The NSW Division of Local Government (DLG) believes that a professional Internal Audit function is one of the key components of the effective governance of any council. In 2001, the Independent Commission Against Corruption (ICAC) found that while 80% of local council General Managers agreed that internal audit is important, only 20% of councils had an internal audit function or audit committee.

These Internal Audit Guidelines, first released in 2008, are aimed at assisting councils put into place effective internal audit practices.

In 2009 the DLG conducted a survey of councils to assess how they were progressing with the implementation of the recommendations of the Guidelines. While the results of the survey revealed that considerable progress has been made toward the implementation of the Guidelines, with more than 50% of councils reporting that they had an internal audit function, it also identified that there were some areas where some councils appeared to be having difficulties and some areas where the Guidelines needed to be clarified.

These revised Guidelines have been developed to address the issues arising from the survey.

The Guidelines are designed to provide councils with assistance to implement internal audit and risk management. There are already a large number of internal audit standards, guidelines and publications in existence, such as the Institute of Internal Auditors' Internal Audit Framework, Better Practice Guidelines – Local Government Entity Audit Committees and Internal Audit (Victoria) and A Guide to Leading Edge Internal Auditing in the Public Sector (Manitoba).

These Guidelines are Director General's Guidelines for the purposes of section 23A of the *Local Government Act 1993*, issued by the Chief Executive, Local Government under delegated authority. They describe internal audit and risk management systems for Local Government in NSW. The Guidelines also include appropriate structures, functions, charter, and membership of audit and risk management committees.

The Division acknowledges the lead role of the Local Government Internal Audit Network (LGIAN) and the Institute of Internal Auditors in the development of these Guidelines.

Terminology

The following terms are used throughout this guidance paper:

- Council is used in two contexts. Council can refer to the elected body of councillors, the local government administration and staff and/or the entity as a whole. The term also includes county councils.
- The General Manager is the most senior member of management as per section 335 of the *Local Government Act*. Chief Financial Officer (CFO) refers to the most senior member of staff within the finance and accounts area of the council.
- Internal Audit Activity is used interchangeably with 'internal audit function' in recognition that there are several methods of resourcing an internal audit function, including outsourcing this to a third party provider or sharing resources with other councils.
- Audit Committee is the name used for the committee which provides independent oversight of both the internal audit function and the external audit function. It provides the council with independent oversight and monitoring of the council's audit processes.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

including the council's internal controls activities. This oversight includes internal and external reporting, risk management activities, internal and external audit, and compliance. It is not uncommon for the committee charged with these responsibilities to be referred to by other names such as governance and risk management committee; audit and risk management committee; internal audit committee.

- External Audit refers to the review and certification of the financial reports as per section 415 of the *Local Government Act 1993*.
- Enterprise Risk Management is the holistic management of all risks within council, not just insurable risks or Occupational Health and Safety.

Item 11.4

Attachment 1

1.1. What is Internal Audit?

Internal audit is described as 'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.

*It helps an organisation accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.'*¹

Internal audit's role is primarily one of providing independent assurance over the internal controls and risk management framework of the council.

Management has primary day-to-day responsibility for the design, implementation, and operation of internal controls.

Internal audit has no direct involvement in day-to-day operations, but it has a direct functional relationship with the General Manager and the council. An effective internal audit function should evaluate and monitor the adequacy and effectiveness of the internal control framework as a minimum.

Risk management is also an essential part of a council's management and internal control framework. It looks at what risks the council may face and the best way to address these risks. Assessment and management of risk is central to determining internal audit activities.

Internal audit's core competencies are in the area of internal control, risk and governance. Typically, internal audit's scope will include some or all of the following areas:

- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and resource usage
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures and contracts
- Adequacy and effectiveness of the risk management framework.

1.2. Why my council should have an internal audit function.

All councils should have an internal audit function for the following reasons:

- it supports good internal governance
- to ensure consistency with other levels of government
- to improve the effectiveness of risk management, control and governance processes
- helps to instil public confidence in an organisation's ability to operate effectively.

When considering an internal audit function, councils should consider the following issues:

- The need to extend council's understanding of risk management beyond traditional areas of public liability and occupational health and safety, into areas such as internal governance, fraud risk and broader regulatory risk.
- Whether council should have a uniform approach to assessing and managing risk, regardless of size or location.
- Whether it is feasible for council to pool resources with like councils or arrange through regional organisations of councils for internal audit services.

¹ International Professional Practice Framework (IPPF) 2009, The Institute of Internal Auditors, www.iaa.org.au

- Whether small management teams can feasibly conduct audits or internal reviews in the absence of an audit function, with an appropriate degree of independence and objectivity.
- How council can properly resource internal audit and internal control programs.

1.3. How does internal audit fit in with other governance functions and activities?

Good governance requires an organisation to have a proper framework in place to ensure excellence in decision making, and that decisions are implemented efficiently and effectively. Key components of good governance include the use of:

- Audit Committees
- Internal and External Audit
- Enterprise Risk Management

1.3.1. The Audit Committee

An audit committee plays a pivotal role in the governance framework. It provides councils with independent oversight and monitoring of the council's audit processes, including the council's internal controls activities. This oversight includes internal and external reporting, risk management activities, internal and external audit, and compliance². Given the key role of the Audit Committee, for it to be most effective it is important that it is properly constituted of appropriately qualified independent members.

A strong relationship between the audit committee and internal audit enables the committee to meet its responsibilities and carry out its functions. An audit committee establishes the role and direction for internal audit, and maximises the benefits from the internal audit function.

More information on the Division's expectations of audit committees in Local Government is set out in section 4 of this document.

1.3.2. External Audit

External audit is a statutory function that provides an opinion on the council's annual financial reports, as required under Divisions 2 and 3 of the *Local Government Act 1993*. The primary focus and responsibility is on providing an opinion on the financial report to council and its external stakeholders.

Councils should be aware that the external auditor should not be expected to conduct a deep or thorough review of the adequacy or effectiveness of a council's risk management framework or internal controls. To obtain a deeper understanding of the scope of the external auditor's report it is recommended that you read the disclaimer contained in the external audit report in your council's statutory financial reports. The external auditor may place some reliance on internal audit reviews, monitoring of internal control, including fraud control and risk management as per the Australian Auditing Standards.

An effective internal audit function may contribute to the performance of external audit, as the external auditor may be able to rely on some of the internal audit work performed, and the stronger internal control environment that a strong internal audit function can create. This may have an indirect benefit in reducing audit fees.

² *Auditing and Assurance Standards Board, Australian Institute of Company Directors, Institute of Internal Auditors, Audit Committees A guide to good practice 2008*

1.3.3. Management

Management has primary responsibility for the design and operation of the risk management and internal control frameworks of the council. It is separate from the responsibilities of external audit, internal audit and the audit committee. While these functions provide advice and oversight in relation to the risk management and internal controls, they are not responsible for its design or implementation. This responsibility lies solely with management. Good governance in local government relies on a robust independent review of management, finances, risks and operations.

1.3.4. Risk Management

Risk management is an important component of corporate governance. Risk management is the responsibility of management with oversight by council and the audit committee. Internal audit can assist management to identify and evaluate the effectiveness of council's risk management system and contribute to the improvement of risk management and control systems. The annual Internal Audit plan should be developed after consideration of the council's risk registers and those areas that are high risk to the organisation.

Internal audit will usually provide advice and assurance over the risk management and internal control frameworks, but in order to maintain independence, internal audit will not be responsible for its implementation of risk management or making decisions on how risks should be treated. Risk management is an important area that is touched upon in more detail in section 5 of this document.

2. Establishing an Internal Audit Function

Key strategies aimed at ensuring that internal audit services conform with good practice:³

- Establish an audit committee, with a majority of members who are external (independent) to council
- Set up an independent reporting structure for internal audit (i.e report functionally to the audit committee and administratively to the General Manager) and define its functions and responsibilities with an internal audit charter
- Adopt and comply with professional internal auditing standards
- Recruit and retain capable staff
- Establish and communicate a clear internal audit vision and strategy
- Demonstrate the value of internal audit
- Understand council, management and community stakeholder needs
- Focus on risk
- Review internal controls
- Educate management on risks and controls
- Continuously improve the quality of internal audit services.

Key Attributes of a good practice internal audit function in local government:⁴

- Maintain independence and objectivity
- Have clear roles and responsibilities
- Comply with the internal auditors International Standards for professional practice of internal auditing in planning and executing work
- Have sufficient and appropriate resources to carry out audit work, as well as the necessary skills, experience and personal attributes to achieve what is expected of internal audit
- Have regular and timely communication of findings and recommendations
- Systematically conduct regular follow-ups on audit recommendations
- Continuously monitor internal audit effectiveness
- Adding value by proactive auditing and advice
- Develop audit plans that are comprehensive and balanced, and are linked to council's management of risks.

³ Jeffrey Ridley and Andrew Chambers. Leading Edge Internal Auditing. ICSA Publishing, 1998, pgs. xxxiii, and 10 to 17.

⁴ Ridley and Chambers: as above

2.1. Internal Audit Charter

An internal audit charter provides a comprehensive statement of the purpose, authority, responsibilities and reporting relationships of the internal audit function. The audit committee or council should approve the internal audit charter.

The content of an internal audit charter should:

- Identify the purpose, authority and responsibility of the internal audit function
- Establish internal audit's position within the organisational structure
- Define reporting relationships of the internal auditor with the General Manager and the audit committee
- Define internal audit's relationship with the council's external auditor
- Have provisions that authorise access to records, personnel, physical property, and attendance at relevant meetings
- Define the scope of internal audit activities, including any restrictions.

The internal auditor should periodically assess whether the purpose, authority and responsibility, as defined in the charter, are still adequate. Results of the assessment should be communicated to the audit committee.

A sample internal audit charter is contained at Appendix 3. Councils should tailor their charters as considered appropriate for their circumstances.

The audit committee should also have a charter that sets out its roles and responsibilities and its oversight of the internal and external audit functions, including any statutory duties. The elected council should approve the audit committee charter (Appendix 2). An external quality assessment every 5 years would assist this process.

2.2. Professional Standards

Internal auditors in NSW local government should comply with appropriate professional standards, such as the Institute of Internal Auditors (IIA) Standards and Code of Ethics. A summary of the standards is shown at Appendix 1. The standards should be the basis of policies, procedures, and plans. Internal audit should be performed with integrity, objectivity, confidentiality and competency.

IIA Standards include the expectation that an internal audit function will establish policies and procedures to guide internal staff in carrying out their work. Policies and procedures should be periodically reviewed to ensure they are up to date with changes in professional practice.

The IIA is thanked for their kind permission to reproduce these standards in this document.

2.3. Reporting lines

Generally, the internal audit function is led by a chief audit executive who is the most senior member of staff in the organisation responsible for the internal audit function. The IIA's Standards for the professional practice of internal auditing state that "The Chief Audit Executive must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. The chief audit executive must confirm to the board, at least annually, the organisational independence of the internal audit activity. The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results".

For local government, the Internal Auditor should report functionally to the audit committee and administratively to the General Manager. If matters involve the conduct of the General Manager, an alternate reporting chain to the Mayor or a protected disclosure to the ICAC, Ombudsman or the Division of Local Government (about serious and substantial waste in local government) should be in place.

It should be remembered that pursuant to section 335 of the Local Government Act the General Manager is responsible for the day-to-day management of council activities including the direction of staff and implicitly the internal audit function. The General Manager may choose to delegate this responsibility provided always that the delegation does not directly or indirectly interfere with the ability of the Internal Auditor to conduct an internal audit function free from interference as required by the IIA's Standards, referred to above (see section 3.4 below).

A clear and properly defined reporting relationship ensures that the Internal Auditor is empowered to perform their role working with management. The direct reporting line to the Audit Committee also acts as an adequate safeguard in the event of a serious breakdown in internal controls or internal control culture at senior levels in the organisation.

Due to the reporting relationships of this key role, it is important that councils appoint an internal auditor who has credibility, and can build relationships and influence decisions at the most senior levels of council, including the audit committee and the General Manager.

2.4. Options for Resourcing Internal Audit

Regardless of size, councils are encouraged to have an appropriately resourced internal audit function. An internal audit function should have sufficient and appropriate resources to carry out its work, including skilled auditors, appropriate technology tools, budgets and professional development opportunities. Budget allocations should align to the approved audit plans.

While size and complexity of a council's operations will drive the size and overall budget of its internal audit function, a small size of operation does not justify forgoing internal audit altogether. The most efficient and effective means of resourcing the internal audit function depends upon the individual circumstances of the council. It is recognised that smaller councils may not be able to justify a full-time internal auditor. Guidance is provided below on alternative resourcing models that may achieve the required outcomes on a cost effective basis.

2.4.1. Appointment of Full-Time or Part-Time Internal Auditor

Ideally the internal auditor should be an independent position reporting directly to the Audit Committee and administratively to the General Manager, with no other operational or management responsibilities. The role and duties and a sample position description are described in more detail in the appendices.

Depending upon the size and complexity of the organisation, councils may consider appointing an internal auditor or internal audit team. The appointment could be full-time or part-time personnel and may be staffed by more than one auditor if the size of the council demands.

Position descriptions should be set for internal audit staff and should identify required qualifications and competencies, including:

- Proficiency in applying internal audit standards, procedures and techniques
- Proficiency in accounting principles and techniques if working extensively with financial records and reports

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

- An understanding of management principles required recognising and evaluating the significance of deviations from good business practices
- An appreciation of fundamental concepts in areas such as accounting, economics, commercial law, taxation, finance, quantitative methods and IT
- Effective interpersonal skills
- Skills in oral and written communication
- Ability to identify key issues in any area under review
- Ability to influence senior management as and when required
- Knowledge of key information systems technology risks and controls and available technology-based audit techniques.

Item 11.4

Attachment 1

2.4.2 Outsourced or co-sourced function

Providing that independence requirements are adhered to, councils can contract their internal audit function to private sector accounting firms or internal audit service providers. If this is the preferred option, then councils need to ensure that the service provided is for a professional internal audit service and not an extension of the financial assurance based external audit.

Councils should note that outsourcing or co-sourcing the internal audit function does not abrogate the council's responsibility to oversee and manage the internal audit function.

In monitoring the performance of the internal audit services provided by accounting firms, councils need to ensure that an appropriately qualified auditor is conducting the internal audit. To ensure an effective and comprehensive internal audit program, contracted internal auditors should have authority to independently set an ongoing audit program, which is not constrained by a narrow scope of audit coverage pre-determined by management.

A co-sourced function is one where a staff internal auditor supplements audit services with an outsourced internal audit service provider. An outsourced internal audit function is one where the service provider assumes all the responsibilities of the internal audit function.

Several options are set out below:

- Private sector accounting firms – most large accounting firms have specialist internal audit divisions, which provide a good service. Internal audit is a specialised skill and hence councils are advised to only use firms who have a specialised internal audit division.
- Boutique firms – a number of boutique firms exist that specialise in internal audit services.
- Internal audit contractors – there a range of experienced internal audit contractors available for this sort of work.
- NSW GTE - IAB Services is a State Government agency that provides internal audit services to the public sector.

Each of these options will have their advantages and can be appropriate for different circumstances. The advantages of using external providers include: flexibility; access to a wide range of expertise; ability to access the service as and when required. Disadvantages include loss of corporate knowledge and possible increased costs.

The NSW State Contracts Control Board has compiled a panel of qualified internal audit service providers at competitive rates through a competitive tender process. Councils are able to access this panel to save them time and effort in the procurement process and are encouraged to do so.

2.4.3 Regional or Inter-Council Sharing of Internal Audit Resources

Councils are also encouraged to consider resourcing their internal audit function via collaborative arrangements with other councils or through a regional organisation of councils (ROC).

A ROC or some other body (such as a strategic council alliance) could agree to jointly employ or contract an appropriately qualified internal auditor. This may have benefits in terms of cross-council benchmarking, reduction in travel costs and access to a bigger resource pool than would be available to a single council.

Each council should nevertheless establish its own independent audit committee and the internal auditor would need to report separately to each council, maintaining confidentiality. A funding model could be established that shares the costs on a user-pays basis between participating councils, with internal audit costs based on an agreed cost sharing basis.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

Under this model, the appointed internal auditor would prepare an audit plan for each council, based on individual council requirements. There will be some common systems and shared knowledge and tools, such as audit planning, risk assessment, audit programs and procedures.

A small team of internal auditors directed by a suitably qualified and experienced auditor could be appropriate for serving several smaller councils in adjacent local government areas. This model should result in lower audit costs compared to councils employing separate internal auditors or consultants at various management levels.

Risk assessments and annual audit plans need to be designed with input from senior management of each of the participating councils. The internal audit team will need to retain a high degree of independence from management in the planning and conduct of audits. The reporting framework will need to ensure the independence of the audits and confidentiality of findings. The internal auditor should report directly to the General Manager and the Audit Committee of each council.

2.4.4 Other Resources

The Local Government Internal Audit Network (LGIAN) represents internal auditors in NSW local government and adds value to local government by promoting better practice internal audit and sharing of information and resources. This group provides sharing of technical expertise by internal audit professionals who are experienced in local government operations, legislation and governance. Member councils host quarterly meetings. Contact details are available from the Division of Local Government.

3. Internal Audit Operations

3.1. Adding Value

One of the primary objectives of the internal audit function is to add value to the council operations. Adding value involves taking a proactive approach with a focus on risk, organisational concerns and effective controls at a reasonable cost. By focusing audit work on high risk areas, the organisation will benefit from assessments of their systems and gain independent assurance on whether those systems that are critical to program delivery are operating efficiently and effectively.

This risk approach contributes to preventative auditing, rather than relying on detecting issues and exceptions after they have already eventuated.

3.2. Roles and Responsibilities

An internal audit function should have clear roles and responsibilities. This includes complete and unrestricted access to employees, property and records. Roles and responsibilities should be communicated in the internal audit charter and position descriptions.

Policies and Procedures Checklist

Councils should establish a manual of policies / procedures that guide internal auditors in their work. The content of these policies / procedures should be consistent with relevant standards, such as the IIA Standards, and cover the following topics:

Attribute Standards

- Purpose, Authority and Responsibility
- Independence
- Proficiency and Due Care
- Quality Assurance

Performance Standards

- Managing the Internal Audit Activity
- Nature of the Work
- Engagement Planning
- Performing the Engagement
- Communication of Results
- Monitoring Progress
- Resolution of Management's Acceptance of Risk.

3.3. Independence and Objectivity

An internal audit function should maintain an appropriate level of independence and objectiveness through sound reporting relationships, and by those involved in internal audit activities avoiding bias and conflicts of interest.

3.3.1 Avoidance of Bias and Conflict of Interest

Policies and procedures should be in place to help an internal audit ensure against the risk of bias, particularly arising from perceived familiarity by virtue of long association with persons the subject of internal audit activity.

The Avoidance of Bias and Conflict of Interest Checklist

An internal auditor or person responsible for internal audit should have a process in place to ensure that:

- An internal auditor does not undertake audit work regarding operations / services for which he / she has held responsibility within the last two (2) years.
- An internal auditor who provides consulting services regarding a particular operation / service is not the same auditor who provides assurance on that same operation / service.
- Internal auditors are rotated periodically whenever it is practical to do so; alternatively, some other method is put in place to address the risks associated with having the same auditors responsible for auditing the same unit / functional area over a prolonged period.

Position Description Checklist

The internal audit function should have written position descriptions for each level of audit staff. The position descriptions for audit staff should identify required qualifications and competencies, including:

- Proficiency in applying internal audit standards, procedures and techniques
- Proficiency in accounting principles and techniques
- An understanding of management principles required recognising and evaluating the materiality and significance of deviations from good business practices
- An appreciation of fundamental concepts in areas such as accounting, economics, commercial law, taxation, finance, quantitative methods and IT
- Effective interpersonal skills
- Skills in oral and written communication.

3.4. Reporting Relationships

Councils establishing an internal audit function must provide appropriate independence for the internal audit function by establishing some degree of separation of the function from management.

In private companies, the internal auditor is accountable to the Board of Directors through the Chairman of the Audit Committee. This approach cannot be directly reproduced under the provisions of the *Local Government Act 1993*. Internal audit is an operational matter that falls within the responsibility of the General Manager. Under section 335(1) of the *Local Government Act*, the General Manager is responsible for the efficient and effective operation of the council's organisation.

The separation of powers between the General Manager and the elected council is a key element to the Act and accordingly both need to ensure that they do not interfere with or control the exercise of each of these functions. It is therefore not appropriate for an internal auditor to report directly to the mayor and/or councillors.

Internal auditors should be mindful of their obligation under section 11 of the ICAC Act to report suspected areas of corrupt activity. Further, they may wish to report their findings under the provisions of the *Protected Disclosures Act 1994*. This may be necessary if concerns are raised in regard to the General Manager or other senior staff.

Councils have the power to appoint an external audit firm to be the internal auditor. Where possible this firm should not be the same one that provides council's external audit services. This does not change the fact that internal audit remains an operational role. It should be remembered that pursuant to section 335 of the Local Government Act the General Manager is responsible for the day-to-day management of council activities including the direction of staff and implicitly the internal audit function.

While management employs the internal auditor, the internal auditor is also expected to review the conduct of management. Therefore, the internal auditor should be able to report to a person or body with sufficient authority to implement internal audit recommendations.

It is important for the internal auditor to have direct access to the audit committee to monitor the scope of the work of internal audit and to review the reports issued. This is achieved by having the internal auditor attend meetings of the audit committee.

The appointment of an internal auditor does not give council the ability to direct the performance of the internal audit function. However, councils can use the General Manager's employment contract to ensure that relevant internal audit work is being undertaken as a requirement of the General Manager's performance obligations.

The Internal Auditor should maintain independent reporting relationships with the audit committee, General Manager and management. This requires:

- Reporting functionally to the audit committee and administratively to the General Manager
- Reporting to an audit committee with external members
- Internal audit charter to be approved by the audit committee and the audit committee charter to be approved by council
- Audit committee to approve of internal audit plans, and provide a forum for discussion of areas worthy of internal audit attention
- Audit committee to ensure coordination and cooperation of internal and external auditors
- Audit committee to make enquiries of management to determine if the scope or budgetary limitations impede the internal audit's ability to function properly, and ensure that the internal audit function is properly resourced
- Reporting to the General Manager for budgeting and accounting, human resource administration, internal communications, administration of policies and procedures.

Reporting to an audit committee with a majority of members, who are external and independent to the council, ensures that internal audit operates independently from management and can effectively review risk, control, governance processes and management assertions.

Reporting Relationships Checklist

The audit committee should include persons external to the organisation. In the absence of an audit committee, the internal auditor should report to a level within the organisation that ensures that the internal audit is able to have broad audit coverage and to fulfil its responsibilities independently and objectively.

Reporting functionality to an audit committee means the committee:

- Approves the internal audit charter

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

- Approves short and long term audit plans
- Comments on the performance of the internal auditor
- Makes enquiries of management to determine if there are scope or budgetary limitations that impede internal audit's ability to function properly
- Ensures that the internal audit function is adequately resourced
- Approves the scope of external assessments of the internal audit
- Provides a forum for discussion to identify areas worthy of examination by internal audit
- Recommends to Council who should be the internal audit provider and/or has input into the selection of the Chief Audit Executive.

Reporting administratively to the General Manager relates to day to day operations of internal audit including:

- Budgeting and accounting
- Human resource administration
- Internal communication / information flow
- Administration of internal policies and procedures.

3.5. Internal Audit Plans

Internal audit should prepare an audit plan that identifies internal audit's objectives and strategies, and the audit work they will undertake.

Good practice internal audit plans will be based on a risk assessment of the council's key strategic and operational areas to determine an appropriate timing and frequency of coverage of each of these areas. Best practice will also include audit judgment of areas that should also be reviewed despite not appearing as a high priority in the council's risk profile.

The annual plan will generally be developed with input from the General Manager and senior management and approved by the audit committee. Generally, such a plan will identify:

- The audit projects that will be carried out during the year and rationale for selecting each
- When each audit project is expected to commence and the time allocated for each
- The performance measures that will be used to evaluate the performance in relation to established goals / objectives and strategies
- Any areas that cannot be covered within existing budgets and additional areas, which in the opinion of the internal auditor, should be reviewed
- Whether the audit projects identified require the use of external expertise.

A rolling three year plan of coverage can be proposed so that it can be readily determined what areas will be covered in any given year, and if their area is not covered in a given year, when it is scheduled for review. The ability of the internal auditor to execute this plan over a three year cycle is a useful method to assess whether internal audit is adequately resourced. However the plan should be reviewed at least annually to ensure that it still aligns with the council's risk profile.

Audit Plans Checklist

The internal auditor should have a long term strategic plan and annual work program to guide their work.

Long term strategic plans that are prepared with input from and approval by the internal audit committee should be risk based. They would generally include:

- A description of the goals / objectives of internal audit
- Key organisational issues and risks of the organisation prepared in consultation with senior management, the audit committee, the external auditor and other relevant parties
- The strategies / priorities in order to address issues and risks.

Mid term operational plans may also be prepared to assist an organisation in the implementation of the key strategies / priorities identified in the strategic plan. Typically these plans would include aspects such as:

- Staffing, competency needs
- Professional development
- Information technology requirements
- Budgeting requirements
- How performance monitoring, measurement, and internal / external assessments will be operationalised.

The annual audit plan is prepared with input from and approval by the audit committee. It should be developed based on the long term strategic plan and the mid term plan. Generally, such a program will identify:

- The audits and other types of projects that will be carried out during the year and the rationale for selecting each
- Staffing for each project, when it is expected to commence and the time allocated for each
- Financial budgets
- The performance measures that will be used to evaluate performance in relation to established goals / objectives and strategies
- As applicable, the plans for internal / external assessments of an internal audit group.

3.6. Performing Internal Audits

Internal Auditors should perform internal audit reviews in accordance with the accepted Institute of Internal Auditors (IIA) Standards and the IIA Code of Ethics for performance standards, practices and guidelines. An outline is shown in the appendices. This includes:

- planning the audit
- defining the audit scope
- identifying sufficient, reliable, relevant, and useful information to achieve the audit's objectives
- identifying and evaluating the risks
- analysis and evaluation of controls
- maintaining proper records of the audit and evidence collected and analysed
- performing tests

- making recommendations
- discussing audit results with relevant staff and management.

Internal Audit may also perform consulting engagements and investigations of allegations, depending on the roles conferred in the Internal Audit Charter. Professional standards should also be applied when conducting these types of reviews.

3.7. Communication of Audit Results

Internal audit should regularly communicate its findings and recommendations to the audit committee, General Manager and management of the areas audited. An internal audit report should communicate accurate, objective, clear, concise, constructive, complete and timely information.

Audit reports should normally include background information, the audit objectives, scope, approach, observations/findings, conclusions, recommendations and agreed management actions. Reports should promote better practice options and explain why the recommended changes are necessary and how they add value.

Reports and memos should share internal audit's observations on significant risk exposures, control issues, corporate governance issues, and other related audit matters. By sharing audit criteria, explaining causes and consequences of audit observations, councils can gain an understanding of the implications and impacts of the audit findings.

Depending on the size of the internal audit reports, summaries may be appropriate for the General Manager and the audit committee with full reports available on request.

Internal Audit Reports Checklist

The following table is based on the IIA Professional Practices Framework.

Background	<ul style="list-style-type: none"> ✓ Identifies the organisational units and activities reviewed and provides explanatory information. ✓ Indicates why the audit project was conducted, including whether the report covers a scheduled engagement or is responding to a request. ✓ Includes the status of observations, conclusions and recommendations from prior audits.
Objectives	<ul style="list-style-type: none"> ✓ Statements that define intended engagement accomplishments.
Scope	<ul style="list-style-type: none"> ✓ Identifies the audited activities. ✓ Identifies the time period reviewed. ✓ Identifies related activities that are not reviewed.
Approach	<ul style="list-style-type: none"> ✓ Establishes the procedures for identifying, analysing, and evaluating sufficient information to achieve the engagement's objectives.
Observations / Findings	<ul style="list-style-type: none"> ✓ Identifies the standards, measures, or expectations used in making an evaluation and / or verification (criteria). ✓ Identifies the factual evidence that the internal auditor found during the examination that supports the conclusions and recommendations (conditions). ✓ Identifies the reason for the difference between the expected and actual conditions (causes).

	<ul style="list-style-type: none"> ✓ Identifies the risk or exposure the organisation and / or others encounter because the condition is not consistent with the criteria (effect).
Conclusions	<ul style="list-style-type: none"> ✓ Should be clearly identified. ✓ Should be based on appropriate analyses and evaluations. ✓ Should encompass the entire scope of an engagement. ✓ Should relate directly to objectives.
Recommendations	<ul style="list-style-type: none"> ✓ Should be based on engagement observations and conclusion. ✓ Should either be general or specific and call for action to correct existing conditions or improve operations. ✓ Should suggest approaches to correct or enhance performance.
Agreed actions	<ul style="list-style-type: none"> ✓ An agreed set of actions proposed by management to address any recommendations. (In some cases the internal audit teams may move straight to agreeing actions and skip recommendations. This is considered good practice.)

3.8. Follow-Up on Audit Reports

The General Manager and audit committee should systematically review progress against audit recommendations and agreed action plans. This ensures that a clear message is sent to management and staff that these matters are important and are being reviewed at the most senior levels in the organisation.

If management accepts a risk that internal audit believes is unacceptable, then this should normally be discussed at an appropriate level in the organisation, including with the General Manager and the audit committee, as considered appropriate.

3.9. Access to Audit Reports

Internal audit reports are intended for internal use only. Where audit reports have findings that are useful to other areas of council, internal audit may share this information on a limited basis. Internal audit reports should be shared with the council's external auditor to assist them in the course of their work. This permission should be documented in the audit committee charter.

Councillors should also have access to the minutes of the Audit Committee. As the minutes may contain confidential information, broader public access should be controlled. However the council should be mindful of its obligations under the *Government Information (Public Access) Act 2009* to provide greater transparency and accountability.

3.10. Annual report from the Audit Committee to Council

The audit committee should report regularly to the council on the management of risk and internal controls. This may be done following each meeting of the audit committee, but as a minimum, the audit committee should report at least annually to the full council on its oversight role of the internal audit function. The General Manager should also provide an annual report to the audit committee on the performance of the internal audit function.

Council may request the Chairperson of the Audit Committee to address the Council to answer any enquiries about the operation of the Audit Committee.

3.11. Performance Measurement

Internal audit should have performance measures that are based on its specific goals / objectives and performance targets that are derived from the internal audit group's plans / strategies. Quality assurance and review of audit work papers in accordance with Australian Auditing Standards is also an essential requirement to ensure the audit findings are adequately evidenced and documented. The work of internal audit can be used by the external auditors where they are satisfied of its quality as per the Australian Auditing Standards AA510.

Performance Measurement System Checklist

Performance measures should provide information that enables the internal audit function to determine whether its activities are achieving its charter and planned results (ie, the aims expressed in its various types of plans).

The performance measurement system should be documented and should be clear on:

- Performance data that is to be collected
- The frequency of data collection
- Who is responsible for data collection
- Data quality control
- Who generates performance data reports
- Who receives such reports.

Performance measures may cover aspects such as:

- Stakeholder satisfaction
- Internal audit processes (eg, risk assessment / audit planning, performing the audits, reporting, and value added)
- Innovation and capabilities (training, technology, knowledge of business)
- Control deficiencies identified and resolved by management
- Cost/benefit analysis of internal audit recommendations.

An internal audit function should regularly report to the General Manager and the audit committee on its progress against the annual internal audit plan.

3.12. Independent Quality Review of Internal Audit

Internal audit should be subject to an external quality assessment of its performance using accepted standards for performance measurement and evaluation at least every five years.

This is to provide assurance to the General Manager and council that internal audit is effective and operating in accordance with the International Standards for the Professional Practice of Internal Auditing.

The Institute of Internal Auditors provides a quality assessment framework for this purpose.

3.13. Internal Audit and Protected Disclosures

Where there is otherwise no designated protected disclosures coordinator for the council, the internal auditor can be appointed to fulfil the requirements of the *Protected Disclosures Act 1994* and the provisions of council's internal reporting policy. Alternatively, the General Manager can appoint the internal auditor to conduct an independent investigation of matters arising from a protected disclosure.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

Protected disclosures are an important means by which councils can signal commitment to ethical practice. They also can act as an early warning system for management and to assist staff in making any disclosures of alleged corrupt conduct, maladministration or serious and substantial waste of public money under the *Protected Disclosures Act 1994*.

Every public official has a statutory right to make a disclosure under the Protected Disclosure Act to the following external agencies:

- NSW Ombudsman
- Independent Commission Against Corruption (ICAC)
- Audit Office
- Police Integrity Commission or
- Division of Local Government, Department of Premier and Cabinet (about serious and substantial waste in local government).

Councils should inform their councillors, staff and council delegates of the requirements and protections of the *Protected Disclosures Act 1994* through staff and councillor induction and training programs.

4. Establishing an Audit Committee

4.1. What is an Audit Committee?

An audit committee plays a pivotal role in the governance framework to provide council with independent oversight and monitoring of the council's audit processes, including the council's internal control activities. This oversight includes internal and external reporting, risk management activities, internal and external audit and compliance.⁵ A strong relationship between the audit committee and the internal audit function enables the committee to meet its responsibilities and carry out its functions. An audit committee establishes the importance and executive direction for an internal audit function, and ensures that the council achieves maximum value from the internal audit function. The audit committee sets the appropriate tone at the top. Guidelines for establishment and operations of audit committees in local government are set out below.

No two audit committees will function in exactly the same way, nor should they. A dynamic audit committee process is required for each council to cater for the particular internal and external influences impacting upon them. The size and conduct of council audit committees will also vary depending on a council's size and other circumstances.

Key characteristics of good practice audit committees are:

- A thorough understanding of the audit committee's position in the legal and governance framework
- Clearly defined roles and responsibilities
- Members with relevant personal qualities, skills and experience, including at least one member with a strong financial and/or audit background
- The ability to maintain effective relationships with key stakeholders
- The ability and capacity to conduct its affairs efficiently and effectively
- A robust and considered process of assessment and continuous improvement.

4.2. Independence and Objectivity

The audit committee will achieve its independence by having a majority of independent members external to council and its operations. In addition, it is highly desirable that all members chosen exhibit an independence of mind in their deliberations and do not act as a representative of a particular area of council, or with conflicts of interests. Regular rotation of some or all members is also desirable to keep a fresh approach.

Ideally the audit committee should consist of at least three and preferably no more than five members comprised of independent external members, who should be in the majority, and councillors other than the Mayor (or an Administrator). Staff should not be members of the audit committee.

When selecting committee members it is important to ensure that they have appropriate qualifications and experience to fulfil their role. The following qualities are desirable when appointing members:

Individuals should have:

- Knowledge of local government
- Strong communication skills

⁵ Auditing and Assurance Standards Board, Australian Institute of Company Directors, Institute of Internal Auditors, Audit committees, A Guide to Good Practice 2008

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

- High levels of personal integrity and ethics
- Sufficient time available to devote to their responsibilities as a committee member
- High levels of financial literacy and, if possible accounting; financial; legal compliance and/or risk management experience or qualifications.

The audit committee as a whole should have:

- At least one member with financial qualifications and experience
- Skills and experience relevant to discharging its responsibilities, including experience in business, financial and legal compliance, risk management

Selection and Appointment of Committee Members

Committee members and the audit committee chair should be appointed by the council. This could be done on the recommendation of a committee which has been convened by council with the power to interview and recommend suitable candidates. It is important that the process used is transparent and accountable.

If the council wishes to use this process then the committee should prepare a written report for the council that provides details of the qualifications and experience of all eligible applicants for the position(s) of independent audit committee member(s) or audit committee chair from which the council can select the most suitable appointees.

Sufficient funds need to be allocated to the audit committee for it to operate effectively. Council should resolve to provide a budget and funds for the audit committee, this should include fees payable to the audit committee members.

Independent and councillor members

Independent and councillor members must be free from any management, business or other relationships that could be perceived to interfere with their ability to act in the best interests of the council.

When considering whether an individual has the necessary independence from council it is common to examine the individual's past and current relationships with the council. Some of the following are relationships that might affect the independent status of an independent and/or councillor:

- Is a substantial shareholder; an owner, officer or employee of a company; or a consultant, that is a material provider of professional advice, or goods, or services to the council;
- Is employed by or has previously been employed by a council and there has not been a period of at least two years between ceasing such employment;

To maximise both the real and perceived independence of the committee individuals currently employed by a council cannot be considered as an independent member of a council audit committee.

This list is not exhaustive and if one or more of the above examples is exhibited by an independent or councillor it is possible that their status as an "independent" member of the committee might be compromised.

Members and potential members of an audit committee need to ensure that they disclose to the council any relationships that could be viewed by other parties as creating conflicts of interests that impair either the individual's or the audit committee's actual or perceived independence.

In order to maximise the effectiveness of the audit committee it is important for members to be both independent and to be seen to be independent.

Audit committee chair

The chair of the audit committee is critical to the overall effectiveness of the committee. The chair of the committee should be independent and should not be the mayor or a member of council. The council should select an audit committee chair who:

- Is knowledgeable of the duties and responsibilities of the position as outlined in the audit committee charter; especially about local government, financial reporting and auditing requirements;
- Has the requisite local government, financial and leadership skills;
- Has the ability to build good relationships; and
- Has strong communication skills

The term of appointment of the chair should be specified by the council.

4.3. Structure and Membership

The structure and membership of an audit committee in the NSW local government environment will depend on the size of the council. Membership should have a majority of independent members and councillors (excluding the Mayor), with between 3 and 5 members. Good practice in governance is that council staff should not be members of the committee. However, this may not be practical for some councils. The chair should be an independent member. A suggested membership is:

- 1 or 2 councillors (excluding the mayor)
- 2 or 3 independent members, at least one with financial expertise and one of whom should be the chair.

The internal auditor and Chief Financial Officer should be invited to attend all meetings. The external auditor should also be invited to attend as an independent advisor.

To preserve the independence of the Audit Committee the General Manager should not be a voting member of the Audit Committee. In accordance with section 376(2) of the Local Government Act the General Manager is entitled to attend meetings of the Audit Committee. Furthermore pursuant to Section 376(3) of the Local Government Act the General Manager may only be excluded from the meeting while the committee deals with a matter relating to the standard of performance of the General Manager or the terms of the employment of the General Manager. However, the General Manager is not automatically entitled to be, nor should the General Manager be, a member of the audit committee.

General Managers are strongly encouraged to enable the audit committee to conduct its activities without undue influence from the General Manager.

It is recommended that, even though, pursuant to the Local Government Act, the General Manager is entitled to attend all meetings, in line with better practice, the General Manager should allow the audit committee to meet separately with each of the internal auditor and the external auditor without the presence of management on at least one occasion per year.

A suggested structure for smaller councils is as follows:

- 1 councillor (excluding the Mayor)
- 2 independents – at least one with financial expertise

A structure for bigger councils could be:

- 1 or 2 councillors (excluding the Mayor)
- 2 or 3 independents – at least one with financial expertise and/or one with financial, legal or business expertise

The audit committee should also have its own charter that sets out the roles and responsibilities of the audit committee and its oversight of the internal and external audit functions, including any statutory duties. The elected council should approve the audit committee charter.

An example charter for audit committees is included in Appendix 2. Councils should not use this example verbatim but should tailor it according to their specific circumstances.

4.4. Audit Committee Operations

4.4.1. Meetings

The audit committee should meet with sufficient frequency to meet its responsibilities.

The number of meetings and their duration will vary depending on the range and complexity of the council and the committee's responsibilities. The audit committee should decide the number of meetings needed for the year after taking into consideration:

- The roles and responsibilities of the committee
- Maturity of the committee and audit arrangements
- The level and/or volume of internal and external audit activity
- Key reporting deadlines
- Significant developments or emerging risks for the entity, for example, restructuring, policy initiatives or new programs
- The potential resource implications versus the benefit to the committee and the entity of more frequent meetings.

Generally, the audit committee should meet at least four times a year. It is also appropriate to have meetings dedicated to considering the annual external audit plan, external management letters and council's audited annual financial reports. Where significant issues arise during the year, committees should consider the need to schedule additional meetings.

Where possible, the dates for audit committee meetings should be established 12 months in advance, particularly where the committee has independent members with other commitments. Each year the committee should agree a forward meeting plan, including meeting dates, location and agenda items. When developing the forward meeting plan, the committee should ensure it covers all the responsibilities outlined in its charter.

The audit committee charter should require the chair of the committee to hold a meeting if asked to do so by another committee member or by the council or the General Manager. There should also be provision for both the internal and external auditors to meet privately with the chair of the audit committee if required, and this should be documented in the audit committee charter.

4.4.2. Functions

Clear roles and responsibilities should be given to an audit committee, and documented in the audit committee charter (see Appendix 2 for a model charter). The broad responsibilities for best practice include the following:

- Risk management
- The control framework
- External accountability (including the council's annual audited financial reports)
- Legislative compliance
- Internal audit

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

- External audit
- Approving the internal audit charter that will guide the activities of an internal audit group
- Having input into and approving an internal audit's long-term strategic plan and annual audit plan
- Having input into the appointment and remuneration of the internal auditor
- Making enquiries of management and the internal audit to determine if there are scope or budgetary limitations that impede an internal auditor's ability to function properly
- Approving the scope of an external assessment or equivalent internal assessment of internal audit to be undertaken every 5 years; and internal assessments which can be undertaken in intervening years if desired.

An audit committee, as a crucial component of corporate governance, is fundamental to assisting the General Manager and council with their oversight function to:

- Ensure all key controls are operating effectively
- Ensure all key controls are appropriate for achieving corporate goals and objectives
- Meet their statutory and fiduciary duties
- Provide a forum for discussing problems and issues that may affect the operations of the internal audit group and acting as a forum for discussion
- Provide a forum for discussion to identify areas worthy of examination by an internal audit group
- Review the implementation of the annual audit plan and implementation of audit recommendations.

4.4.3. Conflict of Interests

Councillors, council staff and members of council committees must comply with the applicable provisions of council's code of conduct in carrying out their functions as council officials. It is the personal responsibility of council officials to comply with the standards in the council's code of conduct and regularly review their personal circumstances with this in mind.

There will in all likelihood be times where matters to be considered by the Committee raise a conflict of interests for a member of the committee. To preserve the integrity and independence of the Audit Committee it is of utmost important that any conflict of interests is appropriately managed.

This can be done by Committee members declaring any conflict of interests at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflict of interests should be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interests, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interests may exist. The final arbiter of such a decision is the Chair of the Committee.

5. Enterprise Risk Management

5.1. What is Risk Management

Internal audit is not responsible for designing or implementing risk management in councils, but is required to consider the risk management framework in planning and conducting audits.

Risk management is an essential part of effective corporate governance. It is defined as "the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects."⁶ Enterprise Risk Management is the holistic management of all risks within council, not just insurable risks or occupational health and safety.

The concept of risk has two elements, the likelihood of something happening and the consequences if it happens. It is recommended that councils refer to the International Standard "Risk Management – Principles and Guidelines" ISO 31000:2009(E) for detailed guidance on risk management.

Risk can arise from internal or external sources, and might include exposure to such things as economic or financial loss or gain, physical damage, failure of a project to reach its objectives, ratepayer dissatisfaction, unfavourable publicity, a threat to physical safety or breach of security, mismanagement, failure of equipment, corruption and fraud. Risks should not necessarily be avoided. If managed effectively, they allow us to seize opportunities for improving services and business practices.

Risks can be categorised according to the goals, objectives or outcomes in the council's strategic, management or business plans. At the highest level, these represent risks to the council's ability to implement policy and deliver outcomes to the community. Risks also can be categorised into:

- Strategic risks (risks to the council's direction, external environment and to the achievement of its plans)
- Commercial risks (risks of commercial relationships, such as failed contractual relationships)
- Operational risks (risks to core business activities, such as inadequate human resources, disasters or threats to physical safety)
- Technical risks (risks of managing assets, such as equipment failure or structure collapse)
- Financial and systems risks (risks with financial controls and systems, such as fraud)
- Compliance risks (risks to meeting regulatory obligations).

Risk management is a logical and systematic process that can be used when making decisions and in managing performance. It is a means to an end and should be integrated into everyday work. Good risk management is forward-looking and helps to improve business decisions. It is not just about avoiding or minimising losses, but also about dealing positively with opportunities. It is a powerful tool for local government managers.

Good risk management is based on a well-planned, logical, comprehensive and documented strategy. This strategy provides general policy guidance, and plans and procedures that can be used as part of the organisation's everyday work to manage risk.

Good risk management must be based on a strategy, but a strategy itself doesn't manage risks. Leadership, effort by all levels of management and staff, and careful monitoring by councillors and risk committees, are needed to make the strategy a success.

⁶ "Risk Management – Principles and Guidelines" ISO 31000:2009(E)

Focus should be on embedding a risk management philosophy into organisational decision making and providing tools to enable this process. Where major risks are identified then managerial effort should be directed to managing those risks. Overly complex approaches to risk management will divert resources from the main objective of better management performance, and hence a common sense approach is encouraged.

5.2. Why Implement Risk Management?

Increasingly, risk management is a mainstream activity embedded into good management in both the private and public sectors. Through better understanding of risks, and their likelihood and consequences, councils and their staff will be better prepared to anticipate these risks and take appropriate action.

By utilising risk management principles, councils are able to maximise the likelihood of successfully achieving their goals through proactive treatment of risks resulting in the following outcomes:

- Higher level of service delivery
- Efficient and effective allocation of resources
- Improved responsiveness and flexibility
- Increased accountability and transparency
- Reduced stress to council staff and management.

It is also hoped that effective risk management will result in fewer surprises and unanticipated negative events.

5.3. Risk Management in New South Wales Local Government

The *Local Government Act 1993* was enacted in an era before enterprise risk management was a widely accepted element of good governance. The Act nevertheless requires councils, among other things, to:

"provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively".⁷

The Act also requires Councillors:

"to review the performance of the council and its delivery of services, and the management plans and revenue policies of the council"⁸

and that the General Manager:

"is generally responsible for the efficient and effective operation of the council's organisation and for ensuring the implementation, without undue delay, of decisions of the council".⁹

While there is currently no specific reference to risk management in the Act, it is implicit in each of the above broader requirements for efficiency, effectiveness and oversight.

The Division of Local Government's Promoting Better Practice Program reviews have frequently made recommendations to actively encourage councils to undertake a comprehensive risk management plan across all functions of council to proactively identify and manage risk exposures.

⁷ Local Government Act 1993 – Section 8

⁸ Local government Act 1903 Section 232(1)

⁹ Local government Act 1903 Section 335(1)

One of the key roles of the internal auditor is to provide advice and assurance over the risk management and internal control frameworks. To maintain independence, internal audit will not normally be responsible for the implementation of risk management or making decisions on how risks should be treated.

5.4. Risks Inherent Within Local Government

While each council will have different sizes and complexities in its structure and operations, and these in turn will generate different risks, there are a number of risks that will be common to the sector and be applicable in some form to most councils.

As a first step, councils may wish to identify material risks to the achievement of the council's goals, objectives and desired outcomes of the council's strategic, management and/or business plans. At the highest level, these represent risks to the council's ability to implement policy and deliver outcomes to the community.

A number of common risks for local government are set out in Appendix 5, which may assist in this process.

5.5. Whole-Of-Government Risk Management

Councils often face risks that significantly influence other risks (such as inadequate staff skills or low morale that influence productivity). These links between risks are important - a risk may not look significant in isolation, but is significant when its flow-on effect is considered.

As whole-of-government approaches become more common, state-sector risks – risks that affect the state as a whole – are becoming better understood and therefore can be better managed.

Councils will increasingly need to understand state-sector risks, and to pay greater attention to identifying and working with other layers of government to manage them. There are 3 types of state-sector risk, each of which calls for a different response:

- Council-level risks (such as the risks above). These can become risks to the State because of their size and significance, because of the wider impact of measures to manage them, or because of poor management by councils.
- Inter-agency risks, which if unmitigated by one agency, become risks for other agencies (such as the link between meeting the educational and social needs of teenagers and anti-social behaviour).
- State-wide risks, which are beyond the boundaries of any one council and call for a response across councils coordinated by a central council (such as bushfires, floods and other emergencies).

There is no such thing as a risk-free environment, but many risks can be avoided, modified or shared through good risk management. Similarly it is not desirable to attempt to create a risk-free environment and not all risks should be reduced. It may be appropriate in some circumstances to retain the risk, or even look at increasing the level of risk taken.

Risk management is an effective tool to identify, evaluate and manage both risks and opportunities at all levels of the organisation. Good risk management also takes advantage of opportunities while analysing and dealing with risks.

Risks should not necessarily be avoided. If managed effectively, they allow councils to seize opportunities for improving services and business practices and avoiding unexpected negative impacts.

5.6. Other Guidance

Risk management is a common sense, yet highly evolved discipline. This guide aims to provide grounding on some of the key principles and practices councils should embrace. For those seeking a deeper understanding of risk management principles and practice, the Division recommends:

- International Standard ISO 31000:2009(E) risk management – Principles and guidelines
- ISO Guide 73:2009 Risk Management – Vocabulary
- IS/IEC 31010 Risk Management – Risk Assessment Techniques

These important publications provide detailed and authoritative guidance about risk management practices. They constitute a step-by-step guide for councils wanting to develop and implement risk management frameworks.

Although not all organisations use this approach, public sector risk management continues to expand beyond a financial focus to encompass all parts of an organisation's business and services. The Commonwealth Government based its *Guidelines for Managing Risk in the Australian Public Service* on this standard. See www.apsc.gov.au/mac/index.htm.

The Australian National Audit Office describes the key components of effective risk management, as well as the importance of developing a risk management culture, in its better practice guide, *Public Sector Governance Volume 16*. See www.anao.gov.au.

CPA Australia has a number of publications relating to public sector risk management. They include *Case Studies in Public Sector Risk Management: Better Practice Guide*; *Enterprise-wide Risk Management: Better Practice Guide*; *Public Sector Risk Management: A State of Play*; and *Research Report on Public Sector Risk Management*. See www.cpaaustralia.com.au/20_cpastore.

Appendix 1 - Summary of Internal Audit Standards and Professional Practices Framework

The Institute of Internal Auditors

International Standards for the Professional Practice of Internal Auditing

Reprinted with permission of the Institute of Internal Auditors, Australia. Note that these standards are under continuous development and hence while correct at the time of publication, readers should obtain the latest version of the standards from IIA Australia.

The purpose of the *Standards* is to:

1. Delineate basic principles that represent the practice of internal auditing, as it should be.
2. Provide a framework for performing and promoting a broad range of value-added internal audit activities.
3. Establish the basis for the evaluation of internal audit performance.
4. Foster improved organisational processes and operations.

The structure of the *Standards* is divided between Attribute and Performance Standards. Attribute Standards address the attributes of organisations and individuals performing internal auditing. The Performance Standards describe the nature of internal auditing and provide quality criteria against which the performance of these services can be measured. The Attribute and Performance Standards are also provided to apply to all internal audit services.

Implementation Standards are also provided to expand upon the Attribute and Performance standards, by providing the requirements applicable to assurance (A) or consulting (C) activities.

The *Standards* are part of the International Professional Practices Framework (IPPF). The IPPF includes the Definition of Internal Auditing, the Code of Ethics, the *Standards*, and other guidance. Guidance regarding how the *Standards* might be applied is included in Practice Advisories that are issued by the Professional Issues Committee.

Attribute Standards

Attribute Standards

1000 – Purpose, Authority, and Responsibility

The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

Interpretation:

The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.

1000.A1 – The nature of assurance services provided to the organisation must be defined in the internal audit charter. If assurances are to be provided to parties outside the organisation, the nature of these assurances must also be defined in the internal audit charter.

1000.C1 – The nature of consulting services must be defined in the internal audit charter.

1010 – Recognition of the Definition of Internal Auditing, the Code of Ethics, and the Standards in the Internal Audit Charter

The mandatory nature of the Definition of Internal Auditing, the Code of Ethics, and the Standards must be recognized in the internal audit charter. The chief audit executive should discuss the Definition of Internal Auditing, the Code of Ethics, and the Standards with senior management and the board.

1100 – Independence and Objectivity

The internal audit activity must be independent, and internal auditors must be objective in performing their work.

Interpretation:

Independence is the freedom from conditions that threaten the ability of the internal audit activity or the chief audit executive to carry out internal audit responsibilities in an unbiased manner. To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the chief audit executive has direct and unrestricted access to senior management and the board. This can be achieved through a dual-reporting relationship. Threats to independence must be managed at the individual auditor, engagement, functional, and organisational levels.

Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others. Threats to objectivity must be managed at the individual auditor, engagement, functional, and organisational levels.

1110 – Organisational Independence

The chief audit executive must report to a level within the organisation that allows the internal audit activity to fulfil its responsibilities. The chief audit executive must confirm to the board, at least annually, the organisational independence of the internal audit activity.

1110.A1 – The internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results.

1111 – Direct Interaction with the Board

The chief audit executive must communicate and interact directly with the board.

1120 – Individual Objectivity

Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest.

Interpretation:

Conflict of interest is a situation in which an internal auditor, who is in a position of trust, has a competing professional or personal interest. Such competing interests can make it difficult to fulfil his or her duties impartially. A conflict of interest exists even if no unethical or improper act results. A conflict of interest can create an appearance of impropriety that can undermine confidence in the internal auditor, the internal audit activity, and the profession. A conflict of interest could impair an individual's ability to perform his or her duties and responsibilities objectively.

1130 – Impairment to Independence or Objectivity

If independence or objectivity is impaired in fact or appearance, the details of the impairment must be disclosed to appropriate parties. The nature of the disclosure will depend upon the impairment.

Interpretation:

Impairment to organisational independence and individual objectivity may include, but is not limited to, personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations, such as funding.

The determination of appropriate parties to which the details of an impairment to independence or objectivity must be disclosed is dependent upon the expectations of the internal audit activity's and the chief audit executive's responsibilities to senior management and the board as described in the internal audit charter, as well as the nature of the impairment.

1130.A1 – Internal auditors must refrain from assessing specific operations for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous year.

1130.A2 – Assurance engagements for functions over which the chief audit executive has responsibility must be overseen by a party outside the internal audit activity.

1130.C1 – Internal auditors may provide consulting services relating to operations for which they had previous responsibilities.

1130.C2 – If internal auditors have potential impairments to independence or objectivity relating to proposed consulting services, disclosure must be made to the engagement client prior to accepting the engagement.

1200 – Proficiency and Due Professional Care

Engagements must be performed with proficiency and due professional care.

1210 – Proficiency

Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competencies needed to perform its responsibilities.

Interpretation:

Knowledge, skills, and other competencies is a collective term that refers to the professional proficiency required of internal auditors to effectively carry out their professional responsibilities. Internal auditors are encouraged to demonstrate their proficiency by obtaining appropriate professional certifications and qualifications, such as the Certified Internal Auditor designation and other designations offered by The Institute of Internal Auditors and other appropriate professional organisations.

1210.A1 – The chief audit executive must obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.

1210.A2 – Internal auditors must have sufficient knowledge to evaluate the risk of fraud and the manner in which it is managed by the organisation, but are not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.

1210.A3 – Internal auditors must have sufficient knowledge of key information technology risks and controls and available technology-based audit techniques to perform their assigned work. However, not all internal auditors are expected to have the expertise of an internal auditor whose primary responsibility is information technology auditing.

1210.C1 – The chief audit executive must decline the consulting engagement or obtain competent advice and assistance if the internal auditors lack the knowledge, skills, or other competencies needed to perform all or part of the engagement.

1220 – Due Professional Care

Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.

1220.A1 – Internal auditors must exercise due professional care by considering the:

- Extent of work needed to achieve the engagement’s objectives;
- Relative complexity, materiality, or significance of matters to which assurance procedures are applied;
- Adequacy and effectiveness of governance, risk management, and control processes;
- Probability of significant errors, fraud, or noncompliance; and
- Cost of assurance in relation to potential benefits.

1220.A2 – In exercising due professional care internal auditors must consider the use of technology-based audit and other data analysis techniques.

1220.A3 – Internal auditors must be alert to the significant risks that might affect objectives, operations, or resources. However, assurance procedures alone, even when performed with due professional care, do not guarantee that all significant risks will be identified.

1220.C1 – Internal auditors must exercise due professional care during a consulting engagement by considering the:

- Needs and expectations of clients, including the nature, timing, and communication of engagement results;
- Relative complexity and extent of work needed to achieve the engagement's objectives; and
- Cost of the consulting engagement in relation to potential benefits.

1230 – Continuing Professional Development

Internal auditors must enhance their knowledge, skills, and other competencies through continuing professional development.

1300 – Quality Assurance and Improvement Program

The chief audit executive must develop and maintain a quality assurance and improvement program that covers all aspects of the internal audit activity.

Interpretation:

A quality assurance and improvement program is designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

1310 – Requirements of the Quality Assurance and Improvement Program

The quality assurance and improvement program must include both internal and external assessments.

1311 – Internal Assessments

Internal assessments must include:

- Ongoing monitoring of the performance of the internal audit activity; and
- Periodic reviews performed through self-assessment or by other persons within the organisation with sufficient knowledge of internal audit practices.

Interpretation:

Ongoing monitoring is an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit activity and uses processes, tools, and information considered necessary to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards.

Periodic reviews are assessments conducted to evaluate conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards.

Sufficient knowledge of internal audit practices requires at least an understanding of all elements of the International Professional Practices Framework.

1312 – External Assessments

External assessments must be conducted at least once every five years by a qualified, independent reviewer or review team from outside the organisation. The chief audit executive must discuss with the board:

- The need for more frequent external assessments; and
- The qualifications and independence of the external reviewer or review team, including any potential conflict of interest.

Interpretation:

A qualified reviewer or review team consists of individuals who are competent in the professional practice of internal auditing and the external assessment process. The evaluation of the competency of the reviewer and review team is a judgment that considers the professional internal audit experience and professional credentials of the individuals selected to perform the review. The evaluation of qualifications also considers the size and complexity of the organisations that the reviewers have been associated with in relation to the organisation for which the internal audit activity is being assessed, as well as the need for particular sector, industry, or technical knowledge.

An independent reviewer or review team means not having either a real or an apparent conflict of interest and not being a part of, or under the control of, the organisation to which the internal audit activity belongs.

1320 – Reporting on the Quality Assurance and Improvement Program

The chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board.

Interpretation:

The form, content, and frequency of communicating the results of the quality assurance and improvement program is established through discussions with senior management and the board and considers the responsibilities of the internal audit activity and chief audit executive as contained in the internal audit charter. To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics, and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the reviewer's or review team's assessment with respect to the degree of conformance.

1321 – Use of "Conforms with the International Standards for the Professional Practice of Internal Auditing"

The chief audit executive may state that the internal audit activity conforms with the International Standards for the Professional Practice of Internal Auditing only if the results of the quality assurance and improvement program support this statement.

1322 – Disclosure of Nonconformance

When nonconformance with the Definition of Internal Auditing, the Code of Ethics, or the Standards impacts the overall scope or operation of the internal audit activity, the chief audit executive must disclose the nonconformance and the impact to senior management and the board.

Performance Standards

2000 – Managing the Internal Audit Activity

The chief audit executive must effectively manage the internal audit activity to ensure it adds value to the organisation.

Interpretation:

The internal audit activity is effectively managed when:

- *The results of the internal audit activity's work achieve the purpose and responsibility included in the internal audit charter;*
- *The internal audit activity conforms with the Definition of Internal Auditing and the Standards; and*
- *The individuals who are part of the internal audit activity demonstrate conformance with the Code of Ethics and the Standards.*

2010 – Planning

The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

Interpretation:

The chief audit executive is responsible for developing a risk-based plan. The chief audit executive takes into account the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation. If a framework does not exist, the chief audit executive uses his/her own judgment of risks after consultation with senior management and the board.

2010.A1 – The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

2010.C1 – The chief audit executive should consider accepting proposed consulting engagements based on the engagement's potential to improve management of risks, add value, and improve the organisation's operations. Accepted engagements must be included in the plan.

2020 – Communication and Approval

The chief audit executive must communicate the internal audit activity's plans and resource requirements, including significant interim changes, to senior management and the board for review and approval. The chief audit executive must also communicate the impact of resource limitations.

2030 – Resource Management

The chief audit executive must ensure that internal audit resources are appropriate, sufficient, and effectively deployed to achieve the approved plan.

Interpretation:

Appropriate refers to the mix of knowledge, skills, and other competencies needed to perform the plan. Sufficient refers to the quantity of resources needed to accomplish the plan. Resources are effectively deployed when they are used in a way that optimizes the achievement of the approved plan.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

2040 – Policies and Procedures

The chief audit executive must establish policies and procedures to guide the internal audit activity.

Interpretation:

The form and content of policies and procedures are dependent upon the size and structure of the internal audit activity and the complexity of its work.

2050 – Coordination

The chief audit executive should share information and coordinate activities with other internal and external providers of assurance and consulting services to ensure proper coverage and minimize duplication of efforts.

2060 – Reporting to Senior Management and the Board

The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility, and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the board.

Interpretation:

The frequency and content of reporting are determined in discussion with senior management and the board and depend on the importance of the information to be communicated and the urgency of the related actions to be taken by senior management or the board.

2100 – Nature of Work

The internal audit activity must evaluate and contribute to the improvement of governance, risk management, and control processes using a systematic and disciplined approach.

2110 – Governance

The internal audit activity must assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the organisation;
- Ensuring effective organisational performance management and accountability;
- Communicating risk and control information to appropriate areas of the organisation; and
- Coordinating the activities of and communicating information among the board, external and internal auditors, and management.

2110.A1 – The internal audit activity must evaluate the design, implementation, and effectiveness of the organisation's ethics-related objectives, programs, and activities.

2110.A2 – The internal audit activity must assess whether the information technology governance of the organisation sustains and supports the organisation's strategies and objectives.

2110.C1 – Consulting engagement objectives must be consistent with the overall values and goals of the organisation.

2120 – Risk Management

The internal audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.

Interpretation:

Determining whether risk management processes are effective is a judgment resulting from the internal auditor's assessment that:

- *Organisational objectives support and align with the organisation's mission;*
- *Significant risks are identified and assessed;*
- *Appropriate risk responses are selected that align risks with the organisation's risk appetite; and*
- *Relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff, management, and the board to carry out their responsibilities.*

Risk management processes are monitored through ongoing management activities, separate evaluations, or both.

2120.A1 – The internal audit activity must evaluate risk exposures relating to the organisation's governance, operations, and information systems regarding the:

- Reliability and integrity of financial and operational information.
- Effectiveness and efficiency of operations.
- Safeguarding of assets; and
- Compliance with laws, regulations, and contracts.

2120.A2 – The internal audit activity must evaluate the potential for the occurrence of fraud and how the organisation manages fraud risk.

2120.C1 – During consulting engagements, internal auditors must address risk consistent with the engagement's objectives and be alert to the existence of other significant risks.

2120.C2 – Internal auditors must incorporate knowledge of risks gained from consulting engagements into their evaluation of the organisation's risk management processes.

2120.C3 – When assisting management in establishing or improving risk management processes, internal auditors must refrain from assuming any management responsibility by actually managing risks.

2130 – Control

The internal audit activity must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.

2130.A1 – The internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations, and information systems regarding the:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with laws, regulations, and contracts.

2130.A2 – Internal auditors should ascertain the extent to which operating and program goals and objectives have been established and conform to those of the organisation.

2130.A3 – Internal auditors should review operations and programs to ascertain the extent to which results are consistent with established goals and objectives to determine whether operations and programs are being implemented or performed as intended.

2130.C1 – During consulting engagements, internal auditors must address controls consistent with the engagement’s objectives and be alert to significant control issues.

2130.C2 – Internal auditors must incorporate knowledge of controls gained from consulting engagements into evaluation of the organisation’s control processes.

2200 – Engagement Planning

Internal auditors must develop and document a plan for each engagement, including the engagement’s objectives, scope, timing, and resource allocations.

2201 – Planning Considerations

In planning the engagement, internal auditors must consider:

- The objectives of the activity being reviewed and the means by which the activity controls its performance;
- The significant risks to the activity, its objectives, resources, and operations and the means by which the potential impact of risk is kept to an acceptable level;
- The adequacy and effectiveness of the activity’s risk management and control processes compared to a relevant control framework or model; and
- The opportunities for making significant improvements to the activity’s risk management and control processes.

2201.A1 – When planning an engagement for parties outside the organisation, internal auditors must establish a written understanding with them about objectives, scope, respective responsibilities, and other expectations, including restrictions on distribution of the results of the engagement and access to engagement records.

2201.C1 – Internal auditors must establish an understanding with consulting engagement clients about objectives, scope, respective responsibilities, and other client expectations. For significant engagements, this understanding must be documented.

2210 – Engagement Objectives

Objectives must be established for each engagement.

2210.A1 – Internal auditors must conduct a preliminary assessment of the risks relevant to the activity under review. Engagement objectives must reflect the results of this assessment.

2210.A2 – Internal auditors must consider the probability of significant errors, fraud, noncompliance, and other exposures when developing the engagement objectives.

2210.A3 – Adequate criteria are needed to evaluate controls. Internal auditors must ascertain the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished. If adequate, internal auditors must use such criteria in their evaluation. If inadequate, internal auditors must work with management to develop appropriate evaluation criteria.

2210.C1 – Consulting engagement objectives must address governance, risk management, and control processes to the extent agreed upon with the client.

2220 – Engagement Scope

The established scope must be sufficient to satisfy the objectives of the engagement.

2220.A1 – The scope of the engagement must include consideration of relevant systems, records, personnel, and physical properties, including those under the control of third parties.

2220.A2 – If significant consulting opportunities arise during an assurance engagement, a specific written understanding as to the objectives, scope, respective responsibilities, and other expectations should be reached and the results of the consulting engagement communicated in accordance with consulting standards.

2220.C1 – In performing consulting engagements, internal auditors must ensure that the scope of the engagement is sufficient to address the agreed-upon objectives. If internal auditors develop reservations about the scope during the engagement, these reservations must be discussed with the client to determine whether to continue with the engagement.

2230 – Engagement Resource Allocation

Internal auditors must determine appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints, and available resources.

2240 – Engagement Work Program

Internal auditors must develop and document work programs that achieve the engagement objectives.

2240.A1 – Work programs must include the procedures for identifying, analysing, evaluating, and documenting information during the engagement. The work program must be approved prior to its implementation, and any adjustments approved promptly.

2240.C1 – Work programs for consulting engagements may vary in form and content depending upon the nature of the engagement.

2300 – Performing the Engagement

Internal auditors must identify, analyse, evaluate, and document sufficient information to achieve the engagement's objectives.

2310 – Identifying Information

Internal auditors must identify sufficient, reliable, relevant, and useful information to achieve the engagement's objectives.

Interpretation:

Sufficient information is factual, adequate, and convincing so that a prudent, informed person would reach the same conclusions as the auditor. Reliable information is the best attainable information through the use of appropriate engagement techniques. Relevant information supports engagement observations and recommendations and is consistent with the objectives for the engagement. Useful information helps the organisation meet its goals.

2320 – Analysis and Evaluation

Internal auditors must base conclusions and engagement results on appropriate analyses and evaluations.

2330 – Documenting Information

Internal auditors must document relevant information to support the conclusions and engagement results.

2330.A1 – The chief audit executive must control access to engagement records. The chief audit executive must obtain the approval of senior management and/or legal counsel prior to releasing such records to external parties, as appropriate.

2330.A2 – The chief audit executive must develop retention requirements for engagement records, regardless of the medium in which each record is stored. These retention requirements must be consistent with the organisation's guidelines and any pertinent regulatory or other requirements.

2330.C1 – The chief audit executive must develop policies governing the custody and retention of consulting engagement records, as well as their release to internal and external parties. These policies must be consistent with the organisation's guidelines and any pertinent regulatory or other requirements.

2340 – Engagement Supervision

Engagements must be properly supervised to ensure objectives are achieved, quality is assured, and staff is developed.

Interpretation:

The extent of supervision required will depend on the proficiency and experience of internal auditors and the complexity of the engagement. The chief audit executive has overall responsibility for supervising the engagement, whether performed by or for the internal audit activity, but may designate appropriately experienced members of the internal audit activity to perform the review. Appropriate evidence of supervision is documented and retained.

2400 – Communicating Results

Internal auditors must communicate the engagement results.

2410 – Criteria for Communicating

Communications must include the engagement's objectives and scope as well as applicable conclusions, recommendations, and action plans.

2410.A1 – Final communication of engagement results must, where appropriate, contain internal auditors' overall opinion and/or conclusions.

2410.A2 – Internal auditors are encouraged to acknowledge satisfactory performance in engagement communications.

2410.A3 – When releasing engagement results to parties outside the organisation, the communication must include limitations on distribution and use of the results.

2410.C1 – Communication of the progress and results of consulting engagements will vary in form and content depending upon the nature of the engagement and the needs of the client.

2420 – Quality of Communications

Communications must be accurate, objective, clear, concise, constructive, complete, and timely.

Interpretation:

Accurate communications are free from errors and distortions and are faithful to the underlying facts. Objective communications are fair, impartial, and unbiased and are the result of a fair-minded and balanced assessment of all relevant facts and circumstances. Clear communications are easily understood and logical, avoiding unnecessary technical language and providing all significant and relevant information. Concise communications are to the point and avoid unnecessary elaboration, superfluous detail, redundancy, and wordiness. Constructive communications are helpful to the engagement client and the organisation and lead to improvements where needed. Complete communications lack nothing that is essential to the target audience and include all significant and relevant information and observations to support recommendations and conclusions. Timely communications are opportune and expedient, depending on the significance of the issue, allowing management to take appropriate corrective action.

2421 – Errors and Omissions

If a final communication contains a significant error or omission, the chief audit executive must communicate corrected information to all parties who received the original communication.

2430 – Use of “Conducted in Conformance with the *International Standards for the Professional Practice of Internal Auditing*”

Internal auditors may report that their engagements are “conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*”, only if the results of the quality assurance and improvement program support the statement.

2431 – Engagement Disclosure of Nonconformance

When nonconformance with the Definition of Internal Auditing, the Code of Ethics or the *Standards* impacts a specific engagement, communication of the results must disclose the:

- Principle or rule of conduct of the Code of Ethics or Standard(s) with which full conformance was not achieved;
- Reason(s) for nonconformance; and
- Impact of nonconformance on the engagement and the communicated engagement results.

2440 – Disseminating Results

The chief audit executive must communicate results to the appropriate parties.

Interpretation:

The chief audit executive or designee reviews and approves the final engagement communication before issuance and decides to whom and how it will be disseminated.

2440.A1 – The chief audit executive is responsible for communicating the final results to parties who can ensure that the results are given due consideration.

2440.A2 – If not otherwise mandated by legal, statutory, or regulatory requirements, prior to releasing results to parties outside the organisation the chief audit executive must:

- Assess the potential risk to the organisation;
- Consult with senior management and/or legal counsel as appropriate; and
- Control dissemination by restricting the use of the results.

2440.C1 – The chief audit executive is responsible for communicating the final results of consulting engagements to clients.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

2440.C2 – During consulting engagements, governance, risk management, and control issues may be identified. Whenever these issues are significant to the organisation, they must be communicated to senior management and the board.

2500 – Monitoring Progress

The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.

2500.A1 – The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

2500.C1 – The internal audit activity must monitor the disposition of results of consulting engagements to the extent agreed upon with the client.

2600 – Resolution of Senior Management’s Acceptance of Risks

When the chief audit executive believes that senior management has accepted a level of residual risk that may be unacceptable to the organisation, the chief audit executive must discuss the matter with senior management. If the decision regarding residual risk is not resolved, the chief audit executive must report the matter to the board for resolution.

Glossary

Add Value

Value is provided by improving opportunities to achieve organisational objectives, identifying operational improvement, and/or reducing risk exposure through both assurance and consulting services.

Adequate Control

Present if management has planned and organised (designed) in a manner that provides reasonable assurance that the organisation's risks have been managed effectively and that the organisation's goals and objectives will be achieved efficiently and economically.

Assurance Services

An objective examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organisation. Examples may include financial, performance, compliance, system security, and due diligence engagements.

Board

A board is an organisation's governing body, such as a board of directors, supervisory board, head of an agency or legislative body, board of governors or trustees of a non-profit organisation, or any other designated body of the organisation, including the audit committee to whom the chief audit executive may functionally report.

Charter

The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organisation; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

Chief Audit Executive

Chief audit executive is a senior position within the organisation responsible for internal audit activities. Normally, this would be the internal audit director. In the case where internal audit activities are obtained from external service providers, the chief audit executive is the person responsible for overseeing the service contract and the overall quality assurance of these activities, reporting to senior management and the board regarding internal audit activities, and follow-up of engagement results. The term also includes titles such as general auditor, head of internal audit, chief internal auditor, and inspector general.

Code of Ethics

The Code of Ethics of The Institute of Internal Auditors (IIA) are Principles relevant to the profession and practice of internal auditing, and Rules of Conduct that describe behaviour expected of internal auditors. The Code of Ethics applies to both parties and entities that provide internal audit services. The purpose of the Code of Ethics is to promote an ethical culture in the global profession of internal auditing.

Compliance

Adherence to policies, plans, procedures, laws, regulations, contracts, or other requirements.

Conflict of Interest

Any relationship that is, or appears to be, not in the best interest of the organisation. A conflict of interest would prejudice an individual's ability to perform his or her duties and responsibilities objectively.

Consulting Services

Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value and improve an organisation's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training.

Control

Any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organises, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.

Control Environment

The attitude and actions of the board and management regarding the significance of control within the organisation. The control environment provides the discipline and structure for the achievement of the primary objectives of the system of internal control. The control environment includes the following elements:

- Integrity and ethical values
- Management's philosophy and operating style
- Organisational structure
- Assignment of authority and responsibility
- Human resource policies and practices
- Competence of personnel.

Control Processes

The policies, procedures, and activities that are part of a control framework, designed to ensure that risks are contained within the risk tolerances established by the risk management process.

Engagement

A specific internal audit assignment, task, or review activity, such as an internal audit, control self-assessment review, fraud examination, or consultancy. An engagement may include multiple tasks or activities designed to accomplish a specific set of related objectives.

Engagement Objectives

Broad statements developed by internal auditors that define intended engagement accomplishments.

Engagement Work Program

A document that lists the procedures to be followed during an engagement, designed to achieve the engagement plan.

External Service Provider

A person or firm outside of the organisation that has special knowledge, skill, and experience in a particular discipline.

Fraud

Any illegal act characterized by deceit, concealment, or violation of trust. These acts are not dependent upon the threat of violence or physical force. Frauds are perpetrated by parties and organisations to obtain money, property, or services; to avoid payment or loss of services; or to secure personal or business advantage.

Governance

The combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organisation toward the achievement of its objectives.

Impairment

Impairment to organisational independence and individual objectivity may include personal conflict of interest, scope limitations, restrictions on access to records, personnel, and properties, and resource limitations (funding).

Independence

The freedom from conditions that threaten objectivity or the appearance of objectivity. Such threats to objectivity must be managed at the individual auditor, engagement, functional, and organisational levels.

Information Technology Controls

Controls that support business management and governance as well as provide general and technical controls over information technology infrastructures such as applications, information, infrastructure, and people.

Information Technology Governance

Consists of the leadership, organisational structures, and processes that ensure that the enterprise's information technology sustains and supports the organisation's strategies and objectives.

Internal Audit Activity

A department, division, team of consultants, or other practitioner(s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

International Professional Practices Framework

The conceptual framework that organises the authoritative guidance promulgated by The IIA. Authoritative Guidance is comprised of two categories – (1) mandatory and (2) strongly recommended.

Must

The *Standards* use the word "must" to specify an unconditional requirement.

Objectivity

An unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Objectivity requires internal auditors not to subordinate their judgment on audit matters to others.

Residual Risk

The risk remaining after management takes action to reduce the impact and likelihood of an adverse event, including control activities in responding to a risk.

Risk

The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of impact and likelihood.

Risk Appetite

The level of risk that an organisation is willing to accept.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

Risk Management

A process to identify, assess, manage, and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.

Should

The *Standards* use the word "should" where conformance is expected unless, when applying professional judgment, circumstances justify deviation.

Significance

The relative importance of a matter within the context in which it is being considered, including quantitative and qualitative factors, such as magnitude, nature, effect, relevance, and impact. Professional judgment assists internal auditors when evaluating the significance of matters within the context of the relevant objectives.

Standard

A professional pronouncement promulgated by the Internal Audit Standards Board that delineates the requirements for performing a broad range of internal audit activities, and for evaluating internal audit performance.

Technology-based Audit Techniques

Any automated audit tool, such as generalized audit software, test data generators, computerized audit programs, specialized audit utilities, and computer-assisted audit techniques (CAATs).

Appendix 2 - Sample Audit Committee Charter

AUDIT COMMITTEE CHARTER

1. Objective

The objective of the Audit Committee (Committee) is to provide independent assurance and assistance to the NAME OF COUNCIL on risk management, control, governance, and external accountability responsibilities.

2. Authority

The Council authorises the Committee, within the scope of its role and responsibilities, to:

- Obtain any information it needs from any employee or external party (subject to their legal obligations to protect information).
- Discuss any matters with the external auditor or other external parties (subject to confidentiality considerations).
- Request the attendance of any employee or councillor at Committee meetings.
- Obtain external legal or other professional advice considered necessary to meet its responsibilities.

3. Composition and Tenure

The Committee will consist of:

3.1 Members (voting)

- Councillor
- Independent external member (not a member of the Council).
- Independent external member (not a member of the Council to be the chairperson).

3.2 Attendee (non-voting)

- General Manager
- Head of Internal Audit
- Chief Financial Officer

3.3 Invitees (non-voting) for specific Agenda items

- Representatives of the external auditor.
- Other officers may attend by invitation as requested by the Committee.

The independent external member will be appointed for the term of council, after which they will be eligible for extension or re-appointment following a formal review of their performance.

The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of NAME OF COUNCIL. At least one member of the Committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

4. Role and Responsibilities

The Committee has no executive powers, except those expressly provided by the Council.

In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of Council rests with the Council and the General Manager as defined by the Local Government Act.

The responsibilities of the Committee may be revised or expanded by the Council from time to time. The Committee's responsibilities are:

4.1 Risk Management

- Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud.
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Review the impact of the risk management framework on its control environment and insurance arrangements; and
- Review whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether plans have been tested periodically.

4.2 Control Framework

- Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors;
- Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated;
- Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with;
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

4.3 External Accountability

- Satisfy itself the annual financial reports comply with applicable Australian Accounting Standards and supported by appropriate management sign-off on the statements and the adequacy of internal controls.
- Review the external audit opinion, including whether appropriate action has been taken in response to audit recommendations and adjustments.
- To consider contentious financial reporting matters in conjunction with council's management and external auditors.
- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements.
- Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations.
- Satisfy itself there is a performance management framework linked to organisational objectives and outcomes.

4.4 Legislative Compliance

- Determine whether management has appropriately considered legal and compliance risks as part of risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies.

4.5 Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Review the internal audit coverage and Internal Audit Plan, ensure the plan has considered the Risk Management Plan, and approve the plan.
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan.
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices.
- Monitor the implementation of internal audit recommendations by management.
- Periodically review the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place.
- Periodically review the performance of Internal Audit.

4.6 External Audit

- Act as a forum for communication between the Council, General Manager, senior management, internal audit and external audit.
- Provide input and feedback on the financial statement and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided.
- Review all external plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management.
- Consider significant issues raised in relevant external audit reports and better practice guides, and ensure appropriate action is taken.

4.7 Responsibilities of Members

Members of the Committee are expected to:

- Understand the relevant legislative and regulatory requirements appropriate to NAME OF COUNCIL.
- Contribute the time needed to study and understand the papers provided.
- Apply good analytical skills, objectivity and good judgment.
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry.

5. Reporting

At the first Committee meeting after 30 June each year, Internal Audit will provide a performance report of:

- The performance of Internal Audit for the financial year as measured against agreed key performance indicators.
- The approved Internal Audit Plan of work for the previous financial year showing the current status of each audit.

The Committee may, at any time, consider any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Chair of the Committee.

The Committee will report regularly, and at least annually, to the governing body of council on the management of risk and internal controls.

6. Administrative arrangements

6.1 Meetings

The Committee will meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial reports and external audit opinion.

The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members may make requests to the Chair for additional meetings.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all Committee responsibilities as detailed in this Audit Committee Charter.

6.2 Attendance at Meetings and Quorums

A quorum will consist of a majority of Committee members, including at least one independent member. Meetings can be held in person, by telephone or by video conference.

The Head of Internal Audit will be invited to attend each meeting unless requested not to do so by the Chair of the Committee. The Committee may also request the Chief Finance Officer or any other employees to participate for certain agenda items, as well as the external auditor.

The General Manager may attend each meeting but will permit the Committee to meet separately with each of the Head of Internal Audit and the External Auditor in the absence of management on at least one occasion per year.

6.3 Secretariat

The Committee has appointed the Head of Internal Audit to be responsible for ensuring that the Committee has adequate secretariat support. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, at least one week before the meeting, and ensure minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member within three weeks of the meeting being held.

6.4 Conflict of Interests

Councillors, council staff and members of council committees must comply with the applicable provisions of Council's code of conduct in carrying out the functions as council officials. It is the personal responsibility of council officials to comply with the standards in the code of conduct and regularly review their personal circumstances with this in mind.

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

Committee members must declare any conflict of interests at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist. The final arbiter of such a decision is the Chair of the Committee.

6.5 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

6.6 Assessment Arrangements

The Chair of the Committee will initiate a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

6.7 Review of Audit Committee Charter

At least once every two years the Audit Committee will review this Audit Committee Charter.

The Audit Committee will approve any changes to this Audit Committee Charter.

Approved: Audit Committee Meeting **Date:**

Appendix 3 - Sample Internal Audit Charter

The mission of internal auditing is to provide an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit at NAME OF ORGANISATION is managed by the TITLE OF INTERNAL AUDIT MANAGER who is the designated Head of Internal Audit within the organisation. The Head of Internal Audit is the top position within an organisation for internal audit activities, as defined in The International Standards for the Professional Practice of Internal Auditing (Standards) issued by the Institute of Internal Auditors.

1. Introduction

This Internal Audit Charter is a formal statement of purpose, authority and responsibility for an internal auditing function within NAME OF ORGANISATION.

- It establishes Internal Audit within NAME OF ORGANISATION and recognises the importance of such an independent and objective service to the organisation.
- It outlines the legal and operational framework under which Internal Audit will operate.
- It authorises the Head of Internal Audit to promote and direct a broad range of internal audits across NAME OF ORGANISATION and, where permitted, external bodies.

Mandate for Internal Audit THIS WILL VARY FROM ORGANISATION TO ORGANISATION AND MAY INCLUDE LEGISLATIVE OR REGULATORY REQUIREMENTS).

2. Role and Authority

The Head of Internal Audit is authorised to direct a comprehensive program of internal audit work in the form of reviews, previews, consultancy advice, evaluations, appraisals, assessments and investigations of functions, processes, controls and governance frameworks in the context of the achievement of business objectives.

For this purpose, all members of Internal Audit are authorised to have full, free and unrestricted access to all functions, property, personnel, records, information, accounts, files, monies and other documentation, as necessary for the conduct of their work.

3. Objectivity, Independence and Organisational Status

Objectivity requires an unbiased mental attitude. As such, all Internal Audit staff shall perform internal audit engagements in such a manner that they have an honest belief in their work product and that no significant quality compromises are made. Further, it requires Internal Audit staff not to subordinate their judgment on internal audit matters to that of others.

To facilitate this approach, Internal Audit shall have independent status within NAME OF ORGANISATION, and for this purpose shall be responsible directly through the Head of Internal Audit to the Audit Committee and administratively to the General Manager. Internal Audit shall be independent of the activities reviewed, and therefore shall not undertake any operating responsibilities outside internal audit work. Neither shall Internal Audit staff have any executive or managerial powers, authorities, functions or duties except those relating to the management of Internal Audit. Internal Audit staff and contractors shall report to the Head of Internal Audit any situations where they feel their objectivity may be impaired. Similarly, the Head of Internal Audit should report any such situations to the Audit Committee.

The work of Internal Audit does not relieve the staff of NAME OF ORGANISATION from their accountability to discharge their responsibilities. All NAME OF ORGANISATION staff are responsible for risk management and the operation and enhancement of internal control. This includes responsibility for implementing remedial action endorsed by management following an internal audit.

Internal Audit shall not be responsible for operational activities on a daily basis, or in the detailed development or implementation of new or changed systems, or for internal checking processes.

4. Scope of Work

The scope of services provided by Internal Audit shall encompass:

- The examination and evaluation of the adequacy and effectiveness of systems of internal control, risk management, governance, and the status of ethical behaviour.
- Ascertaining conformity with the goals and objectives of NAME OF ORGANISATION.
- Assessment of the economic and efficient use of resources.
- The examination of compliance with policies, procedures, plans and legislation.
- Assessment of the reliability and integrity of information.
- Assessment of the safeguarding of assets.
- Any special investigations as directed by the Audit Committee.
- All activities of NAME OF ORGANISATION, whether financial or non-financial, manual or computerised.

5. The scope of work may include

- **Assurance services** – objective examination of evidence for the purpose of providing an independent assessment on risk management, control, or governance processes for the organisation. Examples may include financial, performance, operational, compliance, system security, and due diligence engagements.
- **Consulting services** – advisory and related client service activities, the nature and scope of which are agreed with the client and which are intended to add value and improve an organisation's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation and training.

6. Internal Audit Methodology

Internal Audit shall use the most appropriate methodology for each internal audit engagement, depending on the nature of the activity and the pre-determined parameters for the engagement. Generally, internal audits will include:

- Planning.
- Reviewing and assessing risks in the context of the audit objectives.
- Examination and evaluation of information.
- Communicating results.
- Following up on implementation of audit recommendations.

7. Operating Principles

Internal Audit shall conform with:

- The Standards and Code of Ethics issued by the Institute of Internal Auditors.
- Where relevant, the Statement on Information Systems Auditing Standards issued by the Information Systems and Control Association.
- Relevant auditing standards issued by the Auditing and Assurance Standards Board.

8. Internal Audit shall:

- Possess the knowledge, skills, and technical proficiency essential to the performance of internal audits.

- Be skilled in dealing with people and in communicating audit issues effectively.
- Maintain their technical competence through a program of continuing education.
- Exercise due professional care in performing internal audit engagements.

9. Internal Audit staff shall:

- Conduct themselves in a professional manner.
- Conduct their activities in a manner consistent with the concepts expressed in the Standards and the Code of Ethics.

10. Reporting Arrangements

The Head of Internal Audit shall at all times report to the Audit Committee. At each Audit Committee meeting the Head of Internal Audit shall submit a report summarising all audit activities undertaken during the period, indicating:

- ✓ Internal audit engagements completed or in progress.
- ✓ Outcomes of each internal audit engagement undertaken.
- ✓ Remedial action taken or in progress.

On completion of each internal audit engagement, Internal Audit shall issue a report to its audit customers detailing the objective and scope of the audit, and resulting issues based on the outcome of the audit. Internal Audit shall seek from the responsible senior executive an agreed and endorsed action plan outlining remedial action to be taken, along with an implementation timetable and person responsible. Responsible officers shall have a maximum of ten working days to provide written management responses and action plans in response to issues and recommendations contained in internal audit reports.

The Head of Internal Audit shall make available all internal audit reports to the Audit Committee. However, the work of Internal Audit is solely for the benefit of NAME OF ORGANISATION and is not to be relied on or provided to any other person or organisation, except where this is formally authorised by the Audit Committee or the Head of Internal Audit.

In addition to the normal process of reporting on work undertaken by Internal Audit, the Head of Internal Audit shall draw to the attention of the Audit Committee all matters that, in the Head of Internal Audit's opinion, warrant reporting in this manner.

11. Planning Requirements

Internal Audit uses a risk-based rolling program of internal audits to establish an annual Internal Audit Plan to reflect a program of audits over a 12 month period. This approach is designed to be flexible, dynamic and more timely in order to meet the changing needs and priorities of NAME OF ORGANISATION.

The Head of Internal Audit shall prepare an annual Internal Audit Plan for review and approval by the Audit Committee, showing the proposed areas for audit. The annual Internal Audit Plan shall be based on an assessment of the goals, objectives and business risks of NAME OF ORGANISATION, and shall also take into consideration any special requirements of the Audit Committee and senior executives.

The Head of Internal Audit has discretionary authority to adjust the Internal Audit Plan as a result of receiving special requests from management to conduct reviews that are not on the plan, with these to be approved at the next meeting of the Audit Committee.

12. Quality Assurance & Improvement Program

The Head of Internal Audit shall oversee the development and implementation of a quality assurance and improvement program for Internal Audit, to provide assurance that internal audit work conforms to the Standards and is focused on continuous improvement.

13. Co-ordination with External Audit

The Head of Internal Audit shall periodically consult with the external auditor, to discuss matters of mutual interest, to co-ordinate audit activity, and to reduce duplication of audit effort.

14. Review of the Internal Audit Charter

The Head of Internal Audit shall periodically review the Internal Audit Charter to ensure it remains up-to-date and reflects the current scope of internal audit work.

15. Evaluation of Internal Audit

The Head of Internal Audit shall develop performance measures (key performance indicators) for consideration and endorsement by the Audit Committee, as a means for the performance of Internal Audit to be periodically evaluated.

Internal Audit shall also be subject to an independent quality review at least every five years. Such review shall be in line with the Standards of Professional Practice in Internal Audit and be commissioned by and report to the Audit Committee.

16. Conflict of Interests

Internal auditors are not to provide audit services for work for which they may previously have been responsible. Whilst the Standards provide guidance on this point and allow this to occur after 12 months, each instance should be carefully assessed.

When engaging internal audit contractors, the Head of Internal Audit shall take steps to identify, evaluate the significance, and manage any perceived or actual conflicts of interest that may impinge upon internal audit work.

Instances of perceived or actual conflicts of interest by the Head of Internal Audit or Internal Audit staff and contractors are to be immediately reported to the Audit Committee by the Head of Internal Audit.

Any changes to this Internal Audit Charter will be approved by the Audit Committee.

Approved: Audit Committee Meeting **Date:**

Appendix 4 - Risk Management Assessment Tool

This tool is designed to assist the Audit Committee's consideration of risk management, through the review of material, and discussion or presentations from senior management.

The Committee's charter will determine the extent to which the Audit Committee needs to consider risk management or whether this is to be overseen by a separate Risk Committee.

The tool consists of a series of questions, or high level prompts, which should be tailored to meet the Council's particular circumstances. The extent and nature of the Committee's consideration of risk will largely be dependent on whether or not the Council has in place a formal and structured risk management framework.

Some elements, for example, questions on risk strategy and structure, could be addressed on an annual basis while others could be considered on a more regular basis, depending on Council's individual risk management activities, and the Committee charter.

A 'no' answer does not necessarily indicate a failure or breakdown in Council's risk management framework but may indicate where more detailed discussion or consideration by the Committee is warranted.

Risk Strategy	Yes	No
Is Council's risk management framework clearly articulated and communicated to all staff?	<input type="checkbox"/>	<input type="checkbox"/>
Is Council's risk posture clear? (i.e. the amount of risk Council is willing to take)	<input type="checkbox"/>	<input type="checkbox"/>
Has the 'tone at the top' from the General Manager's perspective permeated the risk culture of the Council?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a clear link between risk management, the control environment and business planning?	<input type="checkbox"/>	<input type="checkbox"/>
Risk Structure	Yes	No
Is responsibility and accountability for risk management clearly assigned to individual managers?	<input type="checkbox"/>	<input type="checkbox"/>
Are risk management activities/responsibilities included in job descriptions, where appropriate?	<input type="checkbox"/>	<input type="checkbox"/>
Are the primary risk management activities (for example, business continuity planning, fraud control plan, annual risk assessment, and so on) across Council, clearly defined?	<input type="checkbox"/>	<input type="checkbox"/>
Is responsibility for co-ordinating and reporting risk management activity to the Audit Committee, or other relevant committee clearly defined?	<input type="checkbox"/>	<input type="checkbox"/>
Does Council have a risk management support capability to assist the development of emerging risk management practices?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a common risk management language/terminology across Council?	<input type="checkbox"/>	<input type="checkbox"/>

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

Does management have a formal business continuity plan incorporating a disaster recovery plan?	<input type="checkbox"/>	<input type="checkbox"/>
Risk Identification and Assessment	Yes	No
Are risk assessments undertaken at both strategic and operational levels?	<input type="checkbox"/>	<input type="checkbox"/>
Have the risks associated with cross-agency governance arrangements been identified?	<input type="checkbox"/>	<input type="checkbox"/>
Does a comprehensive risk profile exist?	<input type="checkbox"/>	<input type="checkbox"/>
Is a risk assessment undertaken for all significant organisational changes/projects?	<input type="checkbox"/>	<input type="checkbox"/>
Does management have effective processes for ensuring risk assessments have been performed in each major business area?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a process in place to identify emerging risks and to incorporate these into the Council's risk management plan?	<input type="checkbox"/>	<input type="checkbox"/>
Do the Council's policies appropriately address relevant operational and financial risks?	<input type="checkbox"/>	<input type="checkbox"/>
Have any frauds, material irregularities or possible illegal acts been identified?	<input type="checkbox"/>	<input type="checkbox"/>
Does Council have a current fraud control policy and plan in place which identifies all fraud related risks?	<input type="checkbox"/>	<input type="checkbox"/>
Risk Mitigation and Improvement	Yes	No
Has management assessed the effectiveness of controls over the highest priority risks?	<input type="checkbox"/>	<input type="checkbox"/>
Does management consider the controls to mitigate risks to within Council's risk tolerance to be adequate?	<input type="checkbox"/>	<input type="checkbox"/>
Have all significant recommendations that impact on risk or the effective operation of controls, made by Council's internal and external auditors, been addressed in a timely manner?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a response plan for prompt and effective action when fraud or an illegal act is discovered?	<input type="checkbox"/>	<input type="checkbox"/>
Monitoring and Assurance	Yes	No
Are systems in place for measuring and monitoring risk, including consideration of common risk themes across Council?	<input type="checkbox"/>	<input type="checkbox"/>
Are risks, including suspected improprieties, escalated to the appropriate levels of management within Council?	<input type="checkbox"/>	<input type="checkbox"/>
Does Council have a formal process by which senior management periodically assure the General Manager/Council that key control strategies are operating effectively?	<input type="checkbox"/>	<input type="checkbox"/>

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

2 - Office of Local Government Internal Audit Guidelines

<i>Continuous Improvement</i>	Yes	No
Do Council's management practices reflect the concept of risk management?	<input type="checkbox"/>	<input type="checkbox"/>
Does Council have a culture of continuous improvement? (for example does Council 'learn' from past risk exposures)	<input type="checkbox"/>	<input type="checkbox"/>
Does management periodically review its risk profile?	<input type="checkbox"/>	<input type="checkbox"/>
Is risk a priority consideration whenever business processes are improved?	<input type="checkbox"/>	<input type="checkbox"/>

Name		
Position	<i>(To be completed by the most senior executive responsible for risk management within council)</i>	
Signed		Date

Item 11.4

Attachment 1

Appendix 5 - Common risks in the council environment

This appendix lists some of the more significant risk exposures which are likely to be faced in the council environment.

Warning - This list is provide as an aid to check completeness. It should only be used after a thorough risk identification process is conducted and should not be used as a substitute for an effective risk identification process. Not adhering to this advice is likely to result in significant risks which are specific to your council not being identified, which may have significant consequences if that risk were to eventuate.

Governance

- Advocacy processes ineffective at State and Federal Government level leading to unwanted results/lack of funding etc.
- Governance training processes (Code of Conduct, Protected Disclosures, Conflict of Interests, councillor interaction with staff, identifying fraud) not undertaken/ineffective leading to higher risk of fraud and corruption.
- Corruption (development applications/rezonings/election funding) leading to loss of reputation of Council.
- Lack of cohesion of Councillors leading to lack of strategic direction/poor decision making.
- Complaints handling processes ineffective leading to legal disputes/lack of transparency.
- Misuse of personal information leading to penalties under Privacy legislation or loss of confidence in Council.
- Poor processes for the disclosure and management of staff conflicts of interest leading to partial decision making.
- Inappropriate delegations or delegations not properly exercised.
- Failure to implement council resolutions leading to breakdown of council/staff relationships.

Planning and Regulation

- Unanticipated population growth leading to unsustainable natural environment/infrastructure demand.
- Planning strategies not developed in timely manner leading to delayed delayed/inappropriate development/community angst.
- Population decrease leading to community breakdown.
- Planning controls outdated, leading to poor urban design.
- Legislation not complied with leading to legal disputes/penalties
- Poor planning controls leading to poor planning decisions

Assets and Finance

- Adequate asset management processes not being in place, leading to substantial additional long term financial burdens to council.
- Adequate long term financial management processes not being in place leading to poor decision making by council.
- Limited opportunities to increase rates and user charges, leading to increasing reliance on grants/one off funding.
- Cost of infrastructure to be funded under section 94 contributions underestimated/unaffordable, leading to funding shortfalls/reduced level of infrastructure.
- Limited regional collaboration between councils, leading to on-going inefficiencies and additional costs to regional residents.

Item 11.2 - Establishment of an Audit, Risk and Improvement
Committee

2 - Office of Local Government
Internal Audit Guidelines

- Operational unit business plans not effectively in place, leading to poor decision making/performance monitoring.
- Inadequate disaster/crisis management processes, leading poor response in real situation.
- Community assets under-utilised leading to closure in longer term.
- Quasi commercial operations of Council (child care/tourist parks/airports/cultural centres etc) not operated effectively leading to higher than appropriate council subsidisation.
- Project management practices not effectively in place, leading to cost over run/quality issues.
- Appropriate procurement processes not undertaken, leading to value for money issues/questions of probity.
- Council assets under insured leading to financial exposure to Council
- Plant fleet under utilised leading to additional costs to Council.
- Minor road condition unable to be maintained at satisfactory level leading to community dissatisfaction.
- Mismanagement of Council supported community entities leading additional financial burden to Council/cessation of service.
- Knowledge management processes not effectively in place leading to poor decision making.
- Inadequate information security leading to issues of confidentiality or legal/financial penalties to Council.

Community and Consultation

- Inability to maintain/increase employment base leading to adverse socio/economic consequences.
- Poor issues management, leading to sustained loss of public support for council in media and/or public.
- Unnecessary bureaucratic processes/red tape leading to additional costs to those dealing with Council.

Workforce Relations

- Productivity levels of council below industry/commercial benchmarks or not measured, leading to additional costs/perpetuation of inefficiencies.
- Skill shortages in professional areas, leading to inability to maintain standards/deliver services.
- Loss of trained staff with specific knowledge, leading to loss of knowledge, ability and experience.
- Inadequate/insufficient staff training leading to reduced skills, currency of knowledge, errors and omissions, turnover of staff.
- Information technology systems outdated leading to on-going inefficiencies..
- OHS not appropriately embedded in operational processes leading to major injury/death or penalty against Council or Council staff.

Kiama Municipal Council Audit, Risk and Improvement Committee Charter

1. Objective

The objective of the Audit, Risk and Improvement Committee (Committee) is to provide independent assurance and assistance to the Kiama Municipal on risk management, control framework, external accountability, legislative compliance, internal audit, external audit and process improvement responsibilities.

2. Authority

The Council authorises the Committee, within the scope of its role and responsibilities, to:

- Obtain information it needs from any employee or external party;
- Discuss any matters with the internal audit service provider and external auditor or other external parties;
- Request of the General Manager the attendance of any employee at Committee meetings;
- Obtain external legal or other professional advice considered necessary to meet its responsibilities, including requesting their attendance at a meeting. Prior discussion with the General Manager must be obtained to determine appropriateness of any reimbursement by Council for external legal or other professional advice; and
- Have private meetings with the internal audit service provider, external auditor, or other personnel without management present.

3. Composition and Tenure

The Committee will consist of:

3.1 Members (voting)

- Two members nominated by Council.
- Three independent external members (not a member of the Council), one of whom shall be elected as the Chair and one as the Deputy Chair.

3.2 Attendee (non-voting)

- General Manager.
- Council manager and staff responsible for providing secretariat services to the Committee.

3.3 Invitees (non-voting) for specific Agenda items

- Representative of the contracted internal audit service provider(s).
- Representatives of the external auditor.
- Other Council officers may attend by invitation from the Committee through the General Manager.

Initially, the Chair shall be appointed for a three year term and the other two independent members shall be appointed for two years and one year respectively (to be decided by lot).

This will ensure that an independent member is to be appointed each year to ensure continuity. An option for a two year extension will be considered following a formal review of performance.

The independent external members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of Kiama Municipal Council. At least one independent external member of the Committee shall have accounting or related financial management experience, with understanding of accounting and auditing standards in a public sector environment.

4. Role and Responsibilities

The Committee has no executive powers, except those expressly provided by the Council.

In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of Council rests with the Council and the General Manager as defined by the Local Government Act.

Development and day-to-day maintenance of internal controls and risk management strategies and practices remains the function of Council's management.

The responsibilities of the Committee may be revised or expanded by the Council from time to time. The Committee's responsibilities are to assess the effectiveness of the Kiama Municipal frameworks, actions and controls as outlined below.

4.1 Risk Management

- Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud and corruption;
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Review the impact of the risk management framework on its control environment and insurance arrangements; and
- Review whether a sound and effective approach has been followed in establishing business recovery and continuity planning arrangements, including whether plans have been tested periodically.

4.2 Control Framework

- Review whether management has adequate internal controls in place, including over external parties such as contractors and advisors;
- Review whether management has in place relevant policies and procedures, and these are periodically reviewed and updated;
- Progressively review whether appropriate processes are in place to assess whether policies and procedures are complied with;
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations; and
- Review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

4.3 External Accountability

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

3 - Draft Audit, Risk and Improvement Committee Charter

- Satisfy itself the annual financial reports comply with applicable Australian Accounting Standards and are supported by appropriate management sign-off on the statements attesting the adequacy of internal controls;
- Review the external audit opinion, including whether appropriate action has been taken by Council in response to audit recommendations and adjustments;
- To consider contentious financial reporting matters in conjunction with Council's management and external auditors;
- Review the processes in place designed to ensure financial information included in the annual report is consistent with the signed financial statements;
- Satisfy itself there are appropriate mechanisms in place to review and implement, where appropriate, relevant State Government reports and recommendations; and
- Satisfy itself there is a performance management framework linked to organisational objectives and outcomes.

4.4 Legislative Compliance

- Determine whether management has appropriately considered legal and compliance risks as part of risk assessment and management arrangements; and
- Review the effectiveness of the system for monitoring compliance with relevant laws, regulations and associated government policies.

4.5 Internal Audit

- Act as a forum for communication between the Council, General Manager, senior management and internal audit;
- Review the internal audit coverage and Internal Audit Plan, ensure the plan has considered the Risk Management Plan, and approve the plan;
- Consider the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved Internal Audit Plan;
- Review all audit reports and consider significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of better practices;
- Monitor the implementation of internal audit recommendations by management;
- Annually review the Internal Audit Charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place; and
- Annually review the performance of Internal Audit, and ensure an independent external assessment is undertaken every five years.

4.6 External Audit

- Act as a forum for communication between the Council, General Manager, senior management and external audit;
- Provide input and feedback on the financial statements and performance audit coverage proposed by external audit, and provide feedback on the external audit services provided;
- Review all external plans and reports in respect of planned or completed external audits, and monitor the implementation of audit recommendations by management; and
- Consider significant issues raised in relevant external audit reports and better practice guides, recommend actions that should be implemented and ensure appropriate action is taken.

4.7 Process Improvement

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

3 - Draft Audit, Risk and Improvement Committee Charter

- Satisfy itself that the Council's program for transition and improvement of operational processes is appropriately managed.

4.8 Responsibilities of Members

Members of the Committee are expected to:

- Understand the relevant legislative and regulatory requirements appropriate to Kiama Municipal Council;
- Contribute the time needed to study and understand the papers provided;
- Apply good analytical skills, objectivity and good judgment; and
- Express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry.

5. Reporting

5.1 At the first Committee meeting after 30 June each year, management will provide a performance report of:

- The performance of Internal Audit for the financial year as measured against agreed key performance indicators; and
- The approved Internal Audit Plan of work for the previous financial year showing the current status of each audit.

5.2 The Committee may, at any time, consider any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Chair of the Committee.

5.3 The Audit Committee will report directly to Council at least annually on the management of risk and internal controls.

5.4 The Committee's Minutes will be presented to Council as part of the Council Business Papers.

5.5 Council may request the Committee Chair to answer any enquiries regarding the operation of the Audit Committee.

6. Administrative arrangements

6.1 Meetings

The Committee will meet at least four times per year, with one of these meetings to include review and endorsement of the annual audited financial statements and external audit opinion.

The need for any additional meetings will be decided by the Chair of the Committee, though other Committee members may make requests to the Chair for additional meetings.

A meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The meeting plan will cover all Committee responsibilities as detailed in this Charter.

6.2 Attendance at Meetings and Quorums

A quorum will consist of a majority of Committee voting members, including at least two independent external members. Meetings can be held in person, by telephone or by video conference

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

3 - Draft Audit, Risk and Improvement Committee Charter

The contracted internal audit provider(s) will be invited to attend each meeting unless requested not to do so by the Chair of the Committee. The Committee may also request, through the General Manager, for other employees to participate for certain agenda items, as well as the external auditor.

6.3 Secretariat

Council management will arrange to provide secretariat support to the Committee. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated at least one week before the meeting, and ensure minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member within three weeks of the meeting being held.

Once the minutes have been approved by the Chair, the Secretariat shall arrange for the minutes to be provided to Council.

6.4 Conflicts of Interest

Committee members must comply with the applicable provisions of Council's Code of Conduct.

Committee members must declare any conflicts of interest at the start of each meeting or before discussion of a relevant agenda item or topic. Details of any conflicts of interest shall be appropriately minuted.

Where members or invitees at Committee meetings are deemed to have a real or perceived conflict of interest, it may be appropriate they be excused from Committee deliberations on the issue where the conflict of interest may exist. The final arbiter of such a decision is the Chair of the Committee.

6.5 Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

6.6 Assessment Arrangements

The Chair of the Committee will initiate a review of the performance of the Committee annually. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chair), with appropriate input from management and any other relevant stakeholders, as determined by the Chair.

6.7 Review of Audit Committee Charter

At least once every two years the Committee will review this Charter.

Any change to the Charter is by endorsement of the Committee, and agreed to by Council.

7. Approval of the Charter

Endorsed:

Audit, Risk and Improvement Committee

Item 11.2 - Establishment of an Audit, Risk and Improvement Committee

3 - Draft Audit, Risk and Improvement Committee Charter

/ /

Approved:
Council

/ /

Item 11.4

Attachment 1

Kiama Municipal Council Internal Audit Charter

1. Purpose

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, assurance, financial management, internal control, and governance processes.

2. Role

Internal Audit responsibilities are defined in this charter which is approved by Council/the Administrator on endorsement of the Audit, Risk and Improvement Committee of Kiama Municipal Council (Council).

Internal Audit can enhance overall performance by assisting with review of processes and working with the organisation to facilitate improvements, enhance accountability and manage change.

Chief Audit Executive describes the person in a senior position responsible for managing Internal Audit. At Council, the designated Chief Audit Executive is the Director Finance, Corporate and Commercial Services

3. Authority

The Internal Audit function, with strict accountability for confidentiality and safeguarding records and information, is authorised full, free, and unrestricted access to any and all records, personnel, and physical properties relevant to the performance of its work. Internal Audit will have free and unrestricted access to senior management and Chair of the Audit, Risk and Improvement Committee.

4. Nature and Scope of Work

The scope of Internal Audit work embraces the wider concept of corporate governance and risk, recognising that controls exist within Council to manage risks and promote effective and efficient governance and performance. Internal Audit services may include:

- a. Assurance Services – objective examination of evidence for the purpose of providing an independent assessment of risk management, control and governance processes.
- b. Consulting Services – advisory and related client activities, the nature and scope of which are agreed upon with the client and which are intended to add value and improve business operations.
- c. Value-Adding Services – focusing on efficiency and effectiveness to improve processes and the economical use of finances and resources.

The types of Internal Audit work at Council are:

- a. Internal audits with a compliance or performance improvement focus.
- b. Management initiated reviews where areas within Council may request Internal Audit services, usually in response to an issue or an emerging risk.

- c. Multi-stage audits at key milestones for projects.

The scope and coverage of Internal Audit work is not limited in any way, and may cover any of the activities and programs of Council.

5. Independence and Objectivity

Internal auditors must have an impartial, unbiased attitude and avoid any conflict of interest, actual or perceived.

Internal Audit staff and service providers shall not be responsible for operational activities, or in the development or implementation of new or changed systems, or for internal checking processes.

Internal Audit staff and service providers shall report any situations where they feel their objectivity may be impaired.

Where the person occupying the role of Chief Audit Executive may be responsible for a non-audit activity, Council has independence safeguards in place:

- a. When responsible for non-audit activities, the Chief Audit Executive is not the Chief Audit Executive when managing or performing those activities.
- b. Review of non-audit activities must be managed and performed independently of the Chief Audit Executive and reported direct to the Audit, Risk and Improvement Committee.

6 Reporting

All Internal Audit staff and service providers report to the Chief Audit Executive, who reports:

- a. Functionally for operations to the Audit, Risk and Improvement Committee through the chair.
- b. Administratively to the General Manager.

Functional reporting involves the Audit, Risk and Improvement Committee:

- a. Reviewing and approving the Internal Audit Charter.
- b. Approving decisions regarding appointment and removal of the Chief Audit Executive.
- c. Reviewing and approving the long-term audit plan, often for a 2–3 year period.
- d. Reviewing and approving the annual internal audit plan.
- e. Approving any changes to the annual internal audit plan.
- f. Reviewing reports on the results of internal audit engagements, audit-related activities, audit team capability, audit performance and other important matters.
- g. Monitoring compliance with standards, together with quality and improvement arrangements.
- h. Meeting privately with the Chief Audit Executive at least once a year without the General Manager or other management present.
- i. Making enquiries of the Chief Audit Executive to determine any scope or budget limitations that may impede the execution of Internal Audit responsibilities.

Administrative reporting to the General Manager includes:

- a. Internal Audit resources and annual budget.

- b. Provision of corporate services to Internal Audit including office accommodation, computers and equipment.
- c. Human resource administration.

7 Internal Audit Responsibilities

Internal Audit shall:

- a. Develop a long-term audit plan encompassing an annual internal audit plan to reflect a comprehensive program of audits, considering any risks or control concerns identified by management, and submit that plan to the Audit, Risk and Improvement Committee for approval.
- b. Implement the audit plan, as approved, including if appropriate, any special tasks or projects requested by management or the Audit, Risk and Improvement Committee.
- c. Assess and make appropriate recommendations for improving the organisation's governance process in accomplishment of its objectives.
- d. Evaluate the effectiveness and contribute to the improvement of risk management processes.
- e. Assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement.
- f. As required, assist in the investigation of suspected fraudulent activities within the organisation and notify management and the Audit, Risk and Improvement Committee of the results.
- g. Keep the Audit, Risk and Improvement Committee informed of emerging trends and successful practices.
- h. Issue periodic reports to the Audit, Risk and Improvement Committee summarising results of audit activities, status of corrective actions, and Internal Audit performance.

8 Reporting and Monitoring

Internal Audit shall:

- a. Ensure that a written report will be issued at the conclusion of each internal audit engagement. Each internal audit report will be provided to the Audit, Risk and Improvement Committee at the next regularly scheduled meeting.
- b. The internal audit report should include management's response and corrective action taken in regard to findings and recommendations.

9 Management Responsibilities

Management has maximum of 10 working days from when they receive a draft internal audit report to provide their responses to Internal Audit.

Where management responses to any finding are not considered timely or adequate, the Chief Audit Executive will consult with management of the area audited and attempt to reach a mutually agreeable resolution. If agreement is not reached, the Chief Audit Executive will refer the matter to the General Manager for resolution. If agreement is still not reached, the final arbiter will be the Audit, Risk and Improvement Committee.

Management is required to report on a quarterly basis their corrective action taken for each specific audit finding.

10 Standards of Audit Practice

Internal Audit shall conform to:

- a. The 'International Professional Practices Framework' (IPPF) issued by the Institute of Internal Auditors, and in particular conform to 'Core Principles for the Professional Practice of Internal Auditing', the 'Definition of Internal Auditing', the 'Code of Ethics' and the 'International Standards for the Professional Practice of Internal Auditing'.
- b. 'The Information Systems Auditing Standards' as issued by ISACA will be adhered to where relevant.

Internal Audit will adhere to Kiama Municipal Council policies and procedures.

11 Conflicts of Interest

As a matter of good practice, Internal Audit staff, including service providers, are not to provide audit services for work for which they may previously have been responsible.

When engaging service providers, the Chief Audit Executive shall take steps to identify, evaluate the significance, and manage any perceived or actual conflicts of interest that may impinge upon Internal Audit work.

All instances of perceived or actual conflicts of interest are to be immediately reported by the Chief Audit Executive to the General Manager or the chair of the Audit, Risk and Improvement Committee.

12 Quality Assurance and Improvement Program

The Chief Audit Executive is responsible for developing and maintaining a Quality Assurance and Improvement Program that includes:

- a. Ongoing Internal Assessments including:
 - Supervision and review of internal audits.
 - Collecting feedback from management after each internal audit.
 - Performance assessments of service provider performance.
 - Results of Internal Audit performance measures.
- b. Periodic Internal Assessments to be conducted annually:
 - Review of the Internal Audit Charter for conformance with the Standards.
 - Self-assessment of conformance with the Standards.
- c. External Assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside Council.

13 Evaluation of Performance

Internal Audit performance will be evaluated and the results reported to the Audit, Risk and Improvement Committee. This will include:

- a. Results of the Quality Assurance and Improvement Program;
- b. Feedback from management of areas where internal audits have been performed; and
- c. Performance of service providers.

Feedback on Internal Audit performance will be sought annually from members of the Audit, Risk and Improvement Committee.

14 Relationship with External Audit and other Assurance Activities

Internal Audit will establish and maintain an open relationship with the External Auditor and other assurance providers. Internal Audit will plan its activity to ensure the adequacy of overall assurance coverage and to minimise duplication of assurance effort.

External Audit has full and free access to all Internal Audit plans, working papers and reports.

15 Review of the Charter

This Charter will be reviewed annually by the Audit, Risk and Improvement Committee and any changes recommended to Council.

16 Approval of the Charter

Endorsed:

General Manager

/ /

Endorsed:

Audit, Risk and Improvement Committee

/ /

Approved:

Kiama Municipal Council

/ /

11.5 Roads & Maritime Services Lease - Corner Terralong Street and Spring Creek Drive, Kiama

CSP Objective: 2 Well Planned and Managed Spaces, Places and Environment

CSP Strategy: 2.12 Effectively manage recreation and open space infrastructure to cater for current and future generations

Delivery Program: 2.12.1 Manage recreation and open space infrastructure for the community by the implementation of the Recreation and Open Space Asset Management Plan actions

Item 11.5

Summary

Council currently leases Lot 14 DP 869956, corner of Terralong Street and Spring Creek Drive, Kiama from Roads & Maritime Services ("RMS"). The land is currently used as offices for the Kiama State Emergency Services (Kiama SES) and council is proposing to re-enter into a lease for a further five (5) year term.

Finance

Council is required to pay an annual rental of \$9,350.00 per annum (including GST).

Policy

Local Government Act 1993

Attachments

Nil

Enclosures

Nil

RECOMMENDATION

That Council:

1. Consent to the lease as detailed in this report;
2. Give the Mayor and General Manager delegated authority to affix the Seal of Council to the lease and/or sign the leases as required; and
3. Council pay the legal costs associated with the lease transaction (approximately \$2,000.00 including GST).

BACKGROUND

Council currently leases Lot 14 DP869956, corner of Terralong Street and Spring Creek Drive, Kiama from Roads & Maritime Services ("RMS"). Whilst Council pay the rental and outgoings for the property, the building is presently occupied by the Kiama State Emergency Service ("Kiama SES"). The permitted use of the property is for offices and for all activities conducted by the "Kiama SES" including storage, training and the like including the operation of an effluent disposal facility.

Report of the Director Finance, Corporate and Commercial Services

11.5 Roads & Maritime Services Lease - Corner Terralong Street and Spring Creek Drive, Kiama (cont)

The current lease was for an initial five (5) year term commencing on 1 July 2012 until 30 June 2017. Council is proposing to enter into a further five (5) year lease with the "RMS" from 1 July 2017 to 30 June 2022.

Under the proposed new lease, Council is required to pay the legal costs associated with the preparation of the lease document. It is standard practice that the lessee be responsible for the costs associated with preparation of the document and Council will be responsible for approximately \$2,000.00 (including GST) to the Lessors Solicitor.

It is recommended that Council enter into a lease with the "RMS" for a further five (5) year term to allow the continuation of the "Kiama SES" at the current site.

Item 11.5

11.6 Interstate Conference - Global Eco Asia-Pacific Tourism Conference

CSP Objective: 3.0 A diverse, thriving economy

CSP Strategy: 3.3 Promote and support tourism in the local area

Delivery Program: 3.3.2 Maximise the tourism economy through the promotion of the Kiama Municipality as a destination and the provision of product options and experiences for all visitors

Item 11.6

Summary

This report recommends the attendance of Council's Manager Tourism and Events, Karen Ronning, at the Global Eco Asia-Pacific Tourism Conference in Adelaide on 27-29 November 2017.

Finance

The conference cost, as well as estimated travel and accommodation costs, is \$2,500 which will be covered by the 2017/18 Tourism budget.

Policy

All interstate conference attendance requires Council approval.

Attachments

1 Global Eco Conference Program [↓](#)

Enclosures

Nil

RECOMMENDATION

That Council grants approval for Council's Manager Tourism and Events, Karen Ronning, at the Global Eco Asia-Pacific Tourism Conference in Adelaide on 27-29 November 2017.

BACKGROUND

The Global Eco Asia-Pacific Tourism Conference, the premier event of Ecotourism Australia, will be held 27–29 November 2017 in Adelaide, South Australia. Now in its 25th year, it's no coincidence that Global Eco can attract the world's best ecotourism operators and tourism professionals.

In this, the International Year of Sustainable Tourism for Development, Global Eco Asia-Pacific focuses on the evolving role of ecotourism in both urban and regional settings. No longer a small niche within the tourism industry, ecotourism is being embraced by the mainstream. Ecotourism is the natural home for high value experienced travellers.

Report of the Director Finance, Corporate and Commercial Services

11.6 Interstate Conference - Global Eco Asia-Pacific Tourism Conference (cont)

Global Eco brings together the key players that can evolve this critical sector of the tourism industry – the operators, protected area managers, destination developers, applied researchers and destination marketers.

Ecotourism is now growing across the globe at an extraordinary rate. In the Asia-Pacific ecotourism represents the ideal vehicle to achieve poverty alleviation, community involvement and environmental sustainability.

Importantly the theme explores how new players are taking a critical role in developing ecotourism - bringing economic, community and environmental benefits.

This conference provides an excellent opportunity to learn about other successful ecotourism events, strategies and projects, and provides many opportunities to develop relationships with other like-minded communities who are implementing ecotourism as well as how to integrate ecotourism into a sustainable destination such as Kiama.



Adelaide, South Australia
27–29 November 2017



Monday, 27 November

7:30am	Registration Opens
8:20am - 8:40am	Welcome to Country
8:40am - 8:45am	Convenor Welcome Tony Charters AM, Convenor, Global Eco Asia-Pacific Tourism Conference
8:45am - 8:50am	Ecotourism Australia Welcome Rick Murray, Chairman, Ecotourism Australia
8:50am - 9:00am	TBC
Ecotourism and Private Conservation	
9:00am - 9:25am	Keynote 1
9:25am - 9:50am	<u>Atticus Fleming</u> , Chief Executive, Australian Wildlife Conservancy



9:50am - 10:15am [Brendon Bevan](#), Manager, Arkaba Conservancy and The Arkaba Walk

10:15am - 10:30am Q&A

10:30am - 11:00am Morning Tea

Tourism and the Chinese Dream

Chair Tony Charters

11:00am - 11:25am [Prof. David Simmons](#), Professor of Tourism, Faculty of Environment, Society and Design, Lincoln University

Tourism in Protected Areas

11:25am - 11:50am [Dr. Russell Reichelt](#), Chairman and CEO, Great Barrier Reef Marine Park Authority

11:50am - 12:15pm Keynote 7

12:15pm - 12:30pm Q&A Panel

12:30pm - 1:30pm Lunch

Tourism and PAM CEO Forum



1:30pm - 1:55pm

[Sandy Pitcher](#), Chief Executive DEWNR, SA

1:55pm - 2:20pm

Keynote 7

2:20pm - 3:00pm

CEO Forum - PAM's and Tourism Commissions

3:00pm - 3:30pm

Afternoon Tea

Wildlife and Ecotourism

3:30pm - 3:55pm

[Dr. Jenny Gray](#), CEO of Zoos Victoria and President of the
World Association of Zoos and Aquariums

3:55pm - 4:20pm

[Elaine Bensted](#), Chief Executive, Zoos South Australia

4:20pm - 5:00pm

Panel Discussion - Wildlife Interactions

Jenny Gray (President of the World Association of Zoos and
Aquariums)

Elaine Bensted (Chief Executive, Zoos South Australia)

Cameron Kerr (CEO, Taronga Conservation Society)

Jillian Blackbeard (Marketing Manager, Botswana Tourism
Organisation).

5:30pm

Welcome Cocktail Reception

Tuesday, 28 November



7:30am

Registration Opens

Community Ecotourism and Social License

8:30am - 8:50am

Keynote 10

8:50am - 9:10am

**[Joselito Costas](#), Tourism Officer, Cebu Provincial
Government**

9:10am - 9:30am

Shu Tan, Founder, Sapa O'Chau

9:30am - 9:50am

Rashmini Mather, Tourism Strategic Planner, Sri Lanka

9:50am - 10:05am

Q&A

Ecotourism Australia Report

10:05am - 10:30am

[Rod Hillman](#), CEO, Ecotourism Australia

10:30am - 11:00am

Morning Tea

Ecotourism and Philanthropy

11:00am - 11:20am

**[Andrew Fairley AM](#), Chairman, The Sir Andrew and Lady
Fairley Foundation**

Item 11.6

Attachment 1



11:20am - 11:50am

Panel Discussion

Keith Sproule
Andrea Hammon
Atticus Fleming

Geotourism and the Chinese Market

11:50am - 12:10pm

[Ng Young](#), Member, Geotourism Standing Committee of the
Geological Society of Australia

12:10pm - 12:30pm

Derek Tse, HK Traveller, Hong Kong

12:30pm - 1:30pm

Lunch

Asia-Pacific Forum

1:30pm - 1:55pm

[Dr. Theresa Mundita Lim](#), Director, Biodiversity
Management Bureau Philippines

1:55pm - 2:20pm

[Hiran Cooray](#), Chairman, Jetwing

2:20pm - 2:45pm

[Dr. Chuwit Mitrchob](#), Deputy Director-General, Designated
Areas for Sustainable Tourism Administration

2:45pm - 3:00pm

Q&A



3:00pm - 3:30pm **Afternoon Tea**

Innovation and Ecotourism Futures

3:30pm - 3:55pm [Jillian Blackbeard](#), Marketing Manager, Botswana Tourism Organisation (TBC)

3:55pm - 4:20pm **Joep Koster, Owner & CEO, Soel Yachts**

4:20pm - 4:45pm Keith Sproule, Abercrombie and Kent USA

4:45pm - 5:00pm **Q&A**

5:00pm **Announcement of the 2018 Conference Host & Close**

7:00pm **Conference Dinner**

Day 3: Wednesday, 29 November

Morning Streams (8:30am - 12:30pm)

Choose to attend one of the three morning streams

8:30am - 12:30pm **Building and Marketing Ecotourism Experiences**
Experience is at the centre of ecotourism and as travellers become more independent their desire for high quality experiences increases. How can operators enhance the



experience levels they are offering? What are the best tools and approaches to market experiences? How are the differing markets perceiving quality experiences? This workshop will explore these critical questions and present case studies that demonstrate successful techniques and lessons learnt.

8:30am - 12:30pm

Geotourism

Outstanding geological landscapes underpin so much of our tourism industry and the interest in Geotourism worldwide is growing. Geotourism features unique geological formations and as such opens up opportunities for destinations to integrate these natural wonders into high value tours experiences. Australia, with its ancient lands and diverse geology is well placed to develop this sector and to learn from other countries that have been quick to recognise the potential of geotourism.

8:30am - 12:30pm

Indigenous Ecotourism

Indigenous ecotourism goes to the heart of the ecotourism itself - authentic experiences, presented in a way that is acceptable to the caretakers of the culture. The link between land, waters and culture. The sustainable management of these resources. Indigenous ecotourism provides economic opportunities for indigenous communities. Issues such as scale, capacity, start-up funding and intellectual property are key considerations.

8:30am - 12:30pm

Tourism in Protected Areas

Protected areas play a fundamental role in the ecotourism industry. Increasingly ecotourism is contributing to conservation directly through revenue generation and indirectly through interpretation and the presentation of natural and cultural heritage values to travellers. This workshop will examine case studies and discuss direction for the future to optimise the benefits of tourism in protected areas.



Afternoon Streams (1:30pm - 5:00pm)

Choose to attend one of the three afternoon streams

1:30pm - 5:00pm

Community Involvement & Strategic Partnerships

Strategic partnerships and innovative collaborations create widespread opportunities for the tourism industry, communities and conservation. Partnerships seek mutual benefits and winning outcomes for all involved. How are these developed, what procedures can protect the environment, and what are the community and business benefits?

This workshop will discuss the opportunities available for partnerships in the ecotourism sector. Partnership professionals will give an expert insight into the strategies for establishing, managing, and ensuring the longevity of collaborations in tourism. Presentations will include examples of policy that facilitate partnerships; case studies of success; innovative programs involving multiple partners; international and cross-destination partnerships.

1:30pm - 5:00pm

Destination Planning & Development

This forum will focus on how destinations are integrating ecotourism into sustainable destination. This workshop will highlight successful case studies and initiatives from both Australia and overseas. Topics such as destination planning, sustainability policy and product development, the place of certification for products and guides; and skills development will be covered in this workshop.

1:30pm - 5:00pm

Ecotourism Operators

1:30pm - 5:00pm

Ecotourism & Wildlife Interactions



Wildlife is central to so many ecotourism experiences globally but the way it is managed varies greatly across the globe. The involvement of wildlife in tourism raises ethical, protection and conservation issues. Ecotourism can be a powerful force for wildlife conservation. This workshop will explore case studies and best practices and open up debate and discussion across the broad spectrum of wildlife tourism.

12 REPORT OF THE DIRECTOR ENGINEERING AND WORKS

Nil

13 REPORT OF THE DIRECTOR COMMUNITY SERVICES

Nil

14 REPORTS FOR INFORMATION

14.1 Minnamurra Progress Association Inc - Minutes - meeting 5 September 2017

Responsible Director: Office of the General Manager

The minutes of the Minnamurra Progress Association Inc meeting held on 5 September 2017 are attached for Councillors' information.

Attachments

- 1 Minnamurra Progress Association Inc Meeting - Minutes - 5 September 2017 [↓](#)

Minnamurra Progress Association Inc.,

Minutes of Meeting on 5th September 2017

Present:

President Cliff Mason	Rae McClymont	Carl Ellefsen
Ray Smith	Nellie Delhaas	Barry Mahoney

Visitor: Natalie Austin, representing Illawarra Bombora, a newly established on line media news service.

Apologies:

Graeme Collinson-Smith, Ian Dodsworth, Annette and Wayde Siemsen, Kath and John LeBas, and Bruce Cole.

Minutes of 1st August Meeting: Accepted. [Prop: Rae McClymont; Sec: Nellie Delhaas]

Business Arising:

1. The payment of recurring annual expenses was announced: annual fee for Lease of space from Primary School: \$150, and annual Public Liability Insurance premium: \$467.
2. The filing of the statutory Annual Return [Form A12] and of the Notice of Change of Public Officer [Form A9] to Fair Trading Department, and the payment of the relevant fees are to be effected by the Secretary, who can then claim reimbursement from the Treasurer on production of proof of payment.
3. The letter from K.M.C., mentioned below, invited M.P.A to nominate a worthy recipient for conferral of an honour by K.M.C. for services to the community. The President nominated Mrs. Norma Gore, the President of the M.P.A. Ladies' Auxilliary Committee, in view of her many years of service in that and other community roles. His suggestion was unanimously accepted.

Correspondence:

K.M.C has invited a representative of M.P.A. to attend K.M.C's. annual morning tea. It was resolved that the President would accept the invitation, communicate the nomination of Mrs Norma Gore as the M.P.A's. recommendation for the honour, and attend. [Prop: Carl Ellefsen; Sec: Ray Smith].

Treasurer's Report:

The Treasurer, Carl Ellefsen, reported that the documentary formalities required by M.P.A.'s bank, associated with the change of our Treasurer and Public Officer, had been finalized and that the account then presently stood at a credit balance of \$1643.31. This oral report was unanimously accepted. [Prop: Ray Smith; Sec: Nellie Delhaas].

In general discussion about the M.P.A.'s finances, the Treasurer reported having discussed with Cr. Mark Way the burdens of annual payments to the School and to the public liability insurer, amounting to a total of \$600. In conformity with his usual prompt diligence in connection with issues raised with him by M.P.A., Cr. Way took the matter up with K.M.C. This has resulted in K.M.C. inviting M.P.A. to make up to 3 annual requests for grants, each up to \$250. The President commented that Gerringong South Precinct Association already receives similar assistance from K.M.C.

A motion that M.P.A. should avail itself of this invitation was unanimously approved. [Prop. Carl Ellefsen; Sec: Barry Mahoney]

Raffle: This was won by Carl Ellefsen

P.S. This was the first M.P.A. meeting conducted under the new catering regime, instituted at the August meeting, under which the traditional post-meeting supper had been organized, laid out and presented by an M.P.A. volunteer. The change from the old to the new regime went seamlessly, thanks to our first volunteer Mrs. Nellie Delhaas. A follow-up report will be included in the Minutes of the October meeting.

As understood by the Secretary, the role of volunteer caterer is not an exclusively female one, but it does preclude the secretary from applying {Secretary's opinion only}.

Ooo000ooo

14.2 South Precinct Committee - Minutes - meeting 21 September 2017

Responsible Director: Office of the General Manager

The minutes of the South Precinct Committee meeting held on 21 September 2017 are attached for Councillors' information.

Attachments

- 1 South Precinct Committee - meeting 21/09/17 - minutes [↓](#)

MINUTES OF THE SOUTH PRECINCT MEETING

Held on Thursday 21st September 2017 at Gerringong Town Hall

Meeting Opened: 7.30pm with Raewyn Thomson in the chair

Attendance: 24 people present

Chair: Raewyn Thomson

Minutes: Robert Coady

Apologies: Shirley_Coady, Neil Reilly, Chris Cassidy, Jim Eames, Stephen and Linda Brazier

Minutes of Previous Meeting: – Hard copy of minutes not available, Printed copy of Minutes for both August and September meetings will be available for the October meeting. Minutes for August meeting are published on South Precinct Facebook group site.

Correspondence Out: - A letter be sent to KMC expressing residents' concerns about the placement and pick up of bins at the proposed development at 36 Willawa Avenue; in particular the potential problems caused during periods of high winds.

Correspondence In

DA 10.2017.245.1 – 96 Rose Valley Road, Abattoir

DA 10.2017.215.1 – 8 Blackwood Street, Museum Development

DA 10.2015.232.2 – 98 Fern Street, Modified Retail Building

Email from Kiama Municipal Council re Native Plants

Email from Kiama Municipal Council re Deed of Agreement and developer of 98 Fern Street.

Treasurer's Report:

Balance at 31/8/17: \$285.97

Council Papers

Planning Proposal to reclassify Lot 208 DP 792192, O'Connell Place, Gerringong

OC-17/163

Committee recommendation that Council proceed with the preparation and finalisation of the draft Kiama Local Environmental Plan in conjunction with Parliamentary Counsel and the Department of Planning and Environment.
(Councillors Sloan and Westhoff)

For: Councillors Honey, Reilly, Rice, Sloan, Steel, Watson, Way and Westhoff

Against: Nil

Cooke Park Fitness Training Activities

Council Motion

OC-17/159

Committee recommendation that this matter is deferred by a month to have precise measurements of Cooke Park taken. A plan of the park that illustrates 10 metre diameters extending from the Anchor Memorial, barbecue areas, rotunda, picnic tables and toilets is necessary for Councillors to quantitatively determine the park's ability to satisfy Council's Fitness Training Policy [as stated in section 11].
(Councillors Westhoff and Rice)

Relocation of Gerringong Museum building and reserve planning

OC-17/179

Committee recommendation that Council:

- 1) Endorse the relocation of the Gerringong Historical Museum to be beside the Gerringong Men's Shed
- 2) Note the masterplan recommendations for the reserve to meet the needs of the sporting codes.

(Councillors Steel and Rice)

Traffic Committee:

- Burnett Avenue intersection, visual sitting of parked cars in Fern Street a problem.
- Noble Street, Belinda and Coal St. Building developments in this highlight the urgent need for a Master traffic plan.
- Speed Zones throughout Gerringong. Traffic Study still to be signed off.
- 5 tonne weight limit throughout Elambra estate in Gerringong.

General Business:

1. DA no 10.2017.215.1

Roger Collins re development re Gerroa tennis court development.

3 Objections to be lodged then application to go to full council.

Motion: *With reference to DA no 10.2017.215.1 for a Pavilion, Tennis Court and earthworks at 60 Crooked River Road Gerroa, this Precinct objects to this DA on the basis of three criteria and protection of coastal and scenic landscape:*

- a. *The location on the crest of the ridge adjacent to numbers 62 and 64 Crooked River Road*
- b. *The proximity of the development which is less than 100 metres to Mrs Tissimanms property at 62 Crooked River Road.*
- c. *The need to aggregate the development to the primary residences.*

Moved: Roger Collins

Seconded: Warren Holder

Approved Unanimously

2. DA no 10.2017.245.1

Lot 103 DP 561082 96 Rose valley Road

Rose Valley Abattoir

Ken Sandy updated the meeting on the latest developments re the proposed Abattoir. See attached correspondence.

3. Werri Lagoon closed for last 4 weeks

4. DA Variations: The meeting expressed concerns that Builders and Developers are deliberately ignoring DA approvals and just building what they want. The Development for 1 Tasman Drive was cited as a good example.

5. Cooke Park Exercising:
Council has been conducting random inspections to ensure that approval is not being compromised.

6. New Service Station in Belinda Street – Placement of shipping containers is hazardous to proper vision for vehicles turning left into Belinda St from bypass exit. Hass been referred to the traffic committee for followup.

7. Guest Speaker Composting Workshop. Raewyn Thomson to follow-up

Guest Speaker:

Gino Belsito, Director of Works and Engineering, Kiama Municipal Council, gave a presentation of Council's Planning Process.

Gino advised that a sculpture would be donated. Councillor Neil Reilly has been pushing this through. Councillor Reilly who is an apology for this meeting has said

"Gino Belsito, our Engineering and Works Director, is going to attend and address a matter that I think will be an excellent boon to Gerringong, and that is a beautifully crafted sculpture by local artist Mick Purdie. Mick has donated this work and requested that I facilitate its location in the main street. Gino will have the details, but we really want the precinct's blessing to locate it properly in a prominent place, where it will become another icon of a great village"

Meeting closed: 9.20pm

Next Meeting: Thursday 21 September 2017 at 7.30pm.

Review of Kiama LEP Amendment 7

Firstly, we reiterate our earlier concern regarding the apparent lack of compliance by Council Officers with the 20 December 2016 Council recommendation (copied below). The requirement highlighted in the recommendation was ignored by Council Officers without, as far as we are aware, any consultation with the Councillors.

.....

MINUTES OF THE ORDINARY MEETING

20 DECEMBER 2016

9.3 Planning Proposal for Lot 103 DP 561082 and Lot 1 DP 1005217, 96 Rose Valley Road, Rose Valley

16/455

Committee recommendation that Council proceed with the preparation and finalisation of the draft Kiama Local Environmental Plan and mapping amendment, associated with additional permitted uses at 96 Rose Valley Road, Rose Valley and the inclusion of sections of Schedule 1 into Clause 4.6(8) of the draft Kiama Local Environmental Plan in conjunction with Parliamentary Counsel and the Department of Planning and Environment.

(Councillors Way and Steel)

For: Councillors Brown, Honey, Reilly, Steel, Watson, Way and Westhoff

Against: Councillors Rice and Sloan

.....

Furthermore, we note the following highlighted statement from Council Officer Mark Lyndon

From: Mark Lyndon
Sent: Friday, 19 May 2017 10:07 AM
To: Phil Costello
Subject: Response to South Precinct Committee

Phil,

The opinion from the Dept. of Planning & Environment and PCO is that Schedule 1 clauses are permissions to allow a land use not permitted by the LUT, not development standards. Therefore it was not appropriate to amend clause 4.6 (8) (See comments from PCO below). This was not required to go back to Council as it was still considered to be consistent with the Gateway Determination and achieves the intent of Councils resolution from the December Council meeting.

As the amendment allows a very specific land use, it is not able to be varied under clause 4.6 of Council's LEP 2011 and therefore there is no ability for the applicant to vary the number of animals slaughtered. If a breach of the number specified occurs, Council can then take compliance action under its enforcement powers under clause 121B of the Environmental Planning & Assessment Act 1979.

In discussions yesterday with one of the Deputy Parliamentary Counsel, the view was taken that Schedule 1 clauses are permissions to allow a land use not permitted by the LUT, not development standards. As mentioned previously, there have been no Schedule 1 clauses that have been excepted under clause 4.6 (8). Advice is being sought from the Legal Services Branch of the Department of Planning and Environment about its position on the matter, but the view is taken that we can progress with this plan as currently drafted to finalisation without first having the Department's advice on the matter.

Regards

Mark Lyndon
Manager Strategic Planning
Kiama Municipal Council
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F: 02 4232 0555
PO Box 75, Kiama NSW 2533
www.kiama.nsw.gov.au

However, although we are still awaiting further legal advice, advice to date is that Amendment 7 (copy below) achieves the intention of the Council recommendation. In other words, Amendment 7 creates a prohibition which cannot be varied – the abattoir can only slaughter 120 animals per year and those animals must be reared on the property.

Schedule 1 Amendment of Kiama Local Environmental Plan 2011

1. Schedule 1 Additional permitted uses

Insert “development” before “consent” wherever occurring in clauses 1 (2), 5 (2) and 6 (2).

2. Schedule 1, clause 7

Insert after clause 6:

7 Use of certain land at Rose Valley Road, Rose Valley

- (1) This clause applies to land at 96 Rose Valley Road, Rose Valley, being Lot 103, DP 561082 and Lot 1, DP 1005217, identified as “7” on the Additional Permitted Uses Map.
- (2) Development for the purposes of not more than one of each of the following is permitted with development consent:
 - (a) a livestock processing industry,
 - (b) a restaurant or cafe.
- (3) In this clause:

livestock processing industry means an abattoir that is used only for the processing of:

- (a) beef cattle that are reared on the land, and
- (b) not more than 120 beef cattle in any 12-month period.

restaurant or cafe means a restaurant or cafe with a seating capacity that does not exceed 60 persons.

Finally, we note that Amendment 7 provides a Council guarantee that an abattoir **will be permitted** at 96 Rose Valley Road.

This Council guarantee exists in spite of the fact that three (3) years after an abattoir was first proposed and after several attempts to identify an acceptable site for disposal of the sewage, (including a submission on

the evening of the Council Meeting to determine the merits of this proposal) **an acceptable site has still not been identified.**

The next step in this process will be assessing a Development Application

Item 14.2

Attachment 1

14.3 Better Waste and Recycling Fund 2017-18 PaymentResponsible Director: Environmental Services

Council received approval from the NSW EPA for the following projects to be implemented and funded from Better Waste and Recycling Fund 2017-18 payment (\$65,282).

Project 1 – Council Holiday Parks Waste Infrastructure Improvements Project \$35,000

This project will be implemented across all five (5) Holiday Parks from October 2017 – June 2018. At each holiday park the project will involve collaboration with Holiday Park Management to conduct initial research into existing waste infrastructure and service, a waste audit to obtain baseline data, installation of new/improved waste infrastructure including signage, development of education resources for management and visitors and a post program waste audit to ascertain waste servicing cost savings and resource recovery levels.

Council Facilities Waste Infrastructure Improvements Project \$30,282

This project will be implemented in the following Council facilities - The Pavilion, Administration Building, Kiama Leisure Centre and Blue Haven (Aged Care Facility). Whilst all facilities have a recycling service, this project will allow us to review existing waste infrastructure and implement a food/garden organics collection thereby minimising the amount of waste going to landfill. A waste audit will be conducted prior to any improvements to ascertain baseline data and to assist, bin infrastructure will be purchased appropriate to the facility including signage, development of education resources for staff and facility users and a post project waste audit will be conducted to ascertain waste servicing cost savings and resource recovery levels.

14.4 Container Deposit Scheme “Return and Earn”Responsible Director: Environmental Services

Return and Earn, the NSW container deposit scheme will commence across NSW on 1 December 2017. Container litter currently makes up 44% of all litter in the state and costs more than \$162 million to manage. It is proposed that Return and Earn will help meet the Premier’s goal of reducing the volume of litter in NSW by 40% by 2020.

The Minister for the Environment announced on the 29 July, 2017 the:

- Scheme Coordinator – Exchange for Change, a consortium of Ashai, Carlton United Breweries, Coca-Cola Amatil, Coopers and Lion Group.
- Network Operator – TOMRA-Cleanaway is a joint venture. TOMRA is a global provider of reverse vending technology and Cleanaway is a leading Australian waste management company.

More than 500 collection points including 800 reverse vending machines (RVMs) will open across NSW to receive the empty eligible containers. More than half these collection points will be automated with 2 or 4 RVMs. Collection points may also be local shops, depot sites, existing recycling centres or a combination of all. An interactive map of collection points across the state will be available end of 2017.

Container materials that may be eligible for a refund include:

- PET
- HDPE
- glass
- aluminium
- steel
- liquid paperboard.

Some containers will not be eligible for a refund. They are described below.

Containers that are not included in the scheme and, therefore, do not qualify for a refund are:

- plain milk (or milk substitute) containers;
- flavoured milk containers of 1 litre or more;
- pure fruit or vegetable juice containers of 1 litre or more;
- glass containers for wine and spirits;
- casks (plastic bladders in boxes) for wine and casks for water - 1 litre or more;
- sachets for wine of 250mm or more;
- containers for cordials, and concentrated fruit/vegetable juices;
- registered health tonics.

Reports for Information

14.4 Container Deposit Scheme "Return and Earn" (cont)

These drinks are predominately consumed at home and are not found in the litter stream. They are also broadly similar to the exceptions in the South Australian and Northern Territory container deposit schemes, to aid consistency.

Eligible containers in kerbside recycling will also be redeemable. The Scheme will allow material recovery facilities to use an EPA-approved method for accurately estimating the number of containers recovered in the facility and to claim the refund from the Scheme Coordinator. Under this proposed approach, the facility will only receive the refund amount. They will not be able to claim a handling fee, but they will also not need to separate containers from other recycled materials, or substantially change their existing recovery processes.

Item 14.4

14.5 Building Better Regions Funding success - Kiama - the making of a great place to work rest and play

Responsible Director: Finance, Corporate and Commercial Services

Council has recently been advised that we have been successful in our application for \$20,000 matched funding under the federally funded Building Better Regions program for a project titled "Kiama - Making a great place to work rest and play".

There are two components to the project:-

1. Undertake a commercial market assessment to determine the supply of existing commercial and employment lands, as well as analysing the future demand for commercial spaces
2. Investigate emerging trends in the food and beverage sector to reinvigorate our town centres, putting the "Eat into Street"

This application was lodged to address issues identified in the Kiama Economic Development Strategy such as the need for Kiama to advance our economic diversification through innovative and creative growth and by ensuring that sufficient opportunities exist to attract appropriate Investment. This project will provide valuable analysis into the future demand for commercial, retail and Industrial space and will also provide the basis for "Making a great place to work, rest and play". Kiama's tourism sector plays a key role in our economy and we will also be looking to reinvigorate our towns through the strategic use of the food and beverage sector, with specific focus on the night time economy. Providing additional spaces for commercial expansion will create additional employment opportunities and allow continued diversified growth.

The information generated by this project will form a valuable part of the Kiama Town Centre planning that will also be undertaken in the near future.

14.6 Youth Advisory Committee - Minutes - meeting 7 September 2017

Responsible Director: Community Services

This report provides the minutes of the Youth Advisory Committee meeting held on 7 September 2017, attached for Councillors' information.

Attachments

- 1 Minutes of the Kiama Youth Advisory Committee meeting held on Thursday 7th September 2017 at Kiama High School [↓](#)

Item 14.6

**Minutes of the Kiama Youth Advisory Committee meeting held on Thursday 7th
September 2017 at Kiama High School at 10:47am**

Present: Cllr Kathy Rice (Kiama Municipal Council, Chair), Cllr. Mark Westhoff, Andrew Chatfield (Kiama Municipal Council, minutes), Josephine St John (Kiama Municipal Council), Carly Filmer (Kiama Municipal Council), Linda McGavock (Kiama High School staff), Carly Abbott, Mitchell Micallef, Simon Case, Taylor-Lee Byrne, Amelia Beahan, Bethany Chapman, Charlotte Beahan, Ariba Amal, Emilio Goytizolo, Isaac Baker, Carlo Cullen, Jayden Wilshire, Cyrus Piggott, Alira Morgan.

1. **Apologies:** Nick Guggisberg (Kiama Municipal Council), Michael Dalitz (Kiama Municipal Council Library Services), KHS SRC Senior students.

2. **Minutes of previous meeting:**

Moved by Carly Abbott and seconded by Simon Case.

CARRIED

3. **Business arising from previous meeting:**

3.1 *Compost bins in public spaces*

Kiama Municipal Council's Waste Services Officer Josephine St John informed the committee that most waste ends up in landfill and contamination is a major issue, with most waste not being able to be recycled or composted. There are concerns that the general public and visitors are not as vigilant as residents when disposing of compost, which could lead to recycled items becoming unusable if contaminated. Council is currently looking to work with commercial premises, promoting food waste and recycling and to look at logistics in regards to food waste. A recycling program at Kiama High School would need to be initiated by the students and Josephine would be happy to help facilitate the process.

ACTION: SRC to identify a possible recycling program for Andrew and Josephine to help follow up.

3.2 *Indigenous cultural programs in the Municipality*

Andrew Chatfield responded to Alira Morgan's request for cultural programs and initiatives in the Municipality by reiterating that Council does currently undertake NAIDOC and Sorry Day events along with providing an Aboriginal Community Liaison Officer, Trish Levett to work on cultural projects and events. Andrew encouraged Alira to speak with Trish to discuss how we can better consult and engage with the Aboriginal community.

ACTION: Andrew to organize a meeting with Alira and Trish

3.3 *Water fill stations along walking tracks*

Andrew Chatfield informed the committee that he had received advice from Council's Engineering and Works Department that they are looking for a possible water supply along the coastal track to service a drink station.

ACTION: Andrew to keep the committee informed on progress

3.4 Mental Health Awareness program

Andrew Chatfield responded to a request from Zahli, Caterina and Taylor regarding increased mental health services and programs in the Municipality and that he is happy to meet with students to develop programs ideas and to continue to advocate for a greater variety of services to meet specific mental health needs.

ACTION: Andrew to arrange meeting with Zahli, Caterina and Taylor and report back next meeting.

3.5 Additional scholastic opportunities

Andrew Chatfield responded to a request from Ariba Amal regarding additional opportunities in the Municipality and region including the possible increase in the number of selective schools and opportunity classes. Andrew informed the committee that this is not a responsibility of Council and therefore all we can do is take on an advocacy role and Andrew is happy to work with Ariba and pass on concerns to the Education Department along with working with staff from Kiama High School to identify and increase opportunities.

ACTION: Andrew to work with Ariba to identify specific points of concern and develop a plan to move forward.

4. Reports

4.1 SENTRAL programs

Senior Youth Worker Andrew Chatfield reported on current programs at SENTRAL including barista training, group fitness sessions each Wednesday and Thursday and Intergen Munch Out each Thursday from 5pm. All programs are free and young people are encouraged to register.

4.2 SENTRAL renovations launch

Andrew Chatfield reported on the recent launch of the renovations of the SENTRAL Youth Centre held on August 5th. 200 people attended the event and enjoyed the music, food and coffee provided by Youth Centre program participants. The event also hosted a public speaking and photography competition, plus a presentation of the recently awarded NSW Local Government Heart Foundation Award for the SENTRAL Intergen Munch Out program by Gareth Ward MP Member for Kiama to the SENTRAL Youth Services staff.

4.3 KHS Programs

Joint programs currently available for students in term 3 include: Youth Worker @ KHS mentoring program, Young Women's Group, KHS volunteers and Youth Advisory Committee.

4.4 *NSW Youth Advisory Council*

Andrew Chatfield promoted the opportunity for YAC members to apply for membership on the 2018 NSW Youth Advisory Council. Andrew provided handouts containing information on how to apply and offered assistance to any students wanting to apply.

5. **General Business:**

5.1 *Kiama Health Plan*

Council's Social Work student Carly Filmer spoke about the current review of the Kiama Health and Community Safety Plans and the possibility of consulting with YAC members regarding their thoughts on what are the priorities for young people. Carly requested an hour be set aside to conduct a review.

ACTION: Carly to confirm a time and date for review with Linda McGavock

5.2 *Future of Jamberoo*

Clr. Kathy Rice spoke about concern from Jamberoo residents, specifically about the style of housing development for the town. Clr Rice informed the committee that Council would like to hear feedback from residents and encouraged young people to contact Council to voice any concerns, thoughts or ideas.

5.3 *KHS Fest*

Carly Abbott promoted an initiative of the SRC called 'KHS Fest' to be held on the 5th December designed to bring the school together and lift school pride. Carly asked Council for assistance in helping to organize the event, requesting specific information regarding a photo booth used during the Kiama Underage Drinking project.

ACTION: Andrew to follow up and work with the SRC on the event

5.4 *School zone lights*

Simon Case informed committee members that the school zone lights indicating a 40 speed limit are not in operation due to early leave time for students on Mondays. Simon is concerned that with students leaving the school at 2.10pm every Monday the school zone is ineffective.

ACTION: Clr Rice to report concerns to Council's Traffic Committee

5.5 *Riding of bikes on the footpath*

Taylor-Lee Byrne asked if Council could provide more bike paths as she has been abused by passing drivers whilst riding on the road and also by pedestrians by riding on the footpath. Taylor-Lee has stated that she feels unsafe riding on the roads. Clr Rice responded that Council allocates funding each year for bike paths and could not solve the issue in the short term.

6. Next Meeting

The next Kiama Youth Advisory Committee will be held on Thursday October 19th 2017 from 10:30 – 12pm at Kiama High School.

There being no further business the meeting closed at 11.37am

Item 14.6

Attachment 1

14.7 Cedar Grove Stage 2 - AccessResponsible Director: Environmental Services

Council at its February 2017 Meeting considered a number of matters in relation to a second access to Cedar Grove (Stage 2) Estate and resolved as follows:

“That Council officers investigate the proposal submitted by David Yates, and any other alternative options, for a second access to Cedar Grove 2 and report back to Council.”

Councillors may recall that the report presented in relation to this matter included consideration of the access as proposed by Mr David Yates and provided the following concerns with that proposal -

1. Council’s current standards specify a maximum road grade requirement of 17% to 20% for distances not exceeding 100 metres.
2. The proposed road has a maximum grade of 22% (amended later to 18%) and has an 18% fall from the edge of bitumen at Lilly Pilly Way to the edge of bitumen at Jamberoo Road which will significantly increase to allow for a deceleration/acceleration lane along Jamberoo Road.
3. Jamberoo Road is a Roads & Maritime Services (RMS) controlled road and will require their approval for this access. RMS is likely to have a number of requirements regarding the traffic merge onto Jamberoo Road.
4. The Water Quality Pond which services the entire Cedar Grove developments will be significantly impacted and potentially will require a full relocation including the associated pipework.
5. Lilly Pilly Way will require road widening along the Jamberoo Road Reserve and this will need RMS approval.
6. There is also the potential for likely objections from neighbours in this area, due to the potential increase in traffic along Lilly Pilly Way that will need to be managed.

It should be noted that the offer of the provision of access over the adjoining properties to the west includes a proviso that Council is prepared to agree to the rezoning of the land from RU2- Rural Landscape to R2 – Low Density Residential.

Such a rezoning was considered during the formation of the Kiama Urban Strategy and was excluded on the basis that it was located west of the town boundary adopted by Council.

An additional offer to provide a second access has also been received from Backsaddle P/L who own Lots 183, 185 and part 189 in DP 751279 (See attached).

Such a proposal would provide for a southern access along Cuba Street as opposed to the David Yates proposal which would provide for an additional access off Jamberoo Road to the north of the Cedar Grove Estate.

Their offer of the access is contingent on a number of matters including:

- *An initial feasibility review by Council staff.*
- *In order to match the work done on the existing David Yates proposal:*

Reports for Information

14.7 Cedar Grove Stage 2 - Access (cont)

1. Council staff consider the engineering issues involved and estimate the costs of construction. Backsaddle P/L is prepared to pay for this work, subject to a costs proposal.
2. Backsaddle P/L thereby work up a commercial solution whereby:
 - Council undertakes construction of road at Backsaddle P/L expense
 - Council agrees to a residential re-zoning of sufficient of Backsaddle P/L's land to justify the expense.
3. Council determine a preferred route, subject to further negotiation with the land owners.
4. A final proposal then be put to Council for resolution.

This proposal would rely heavily on Council supporting a Planning Proposal to rezone land outside the terms of the Kiama Urban Strategy. This proposed rezoning has previously been considered and rejected on the basis of its extension to the west of the adopted western Kiama town boundary.

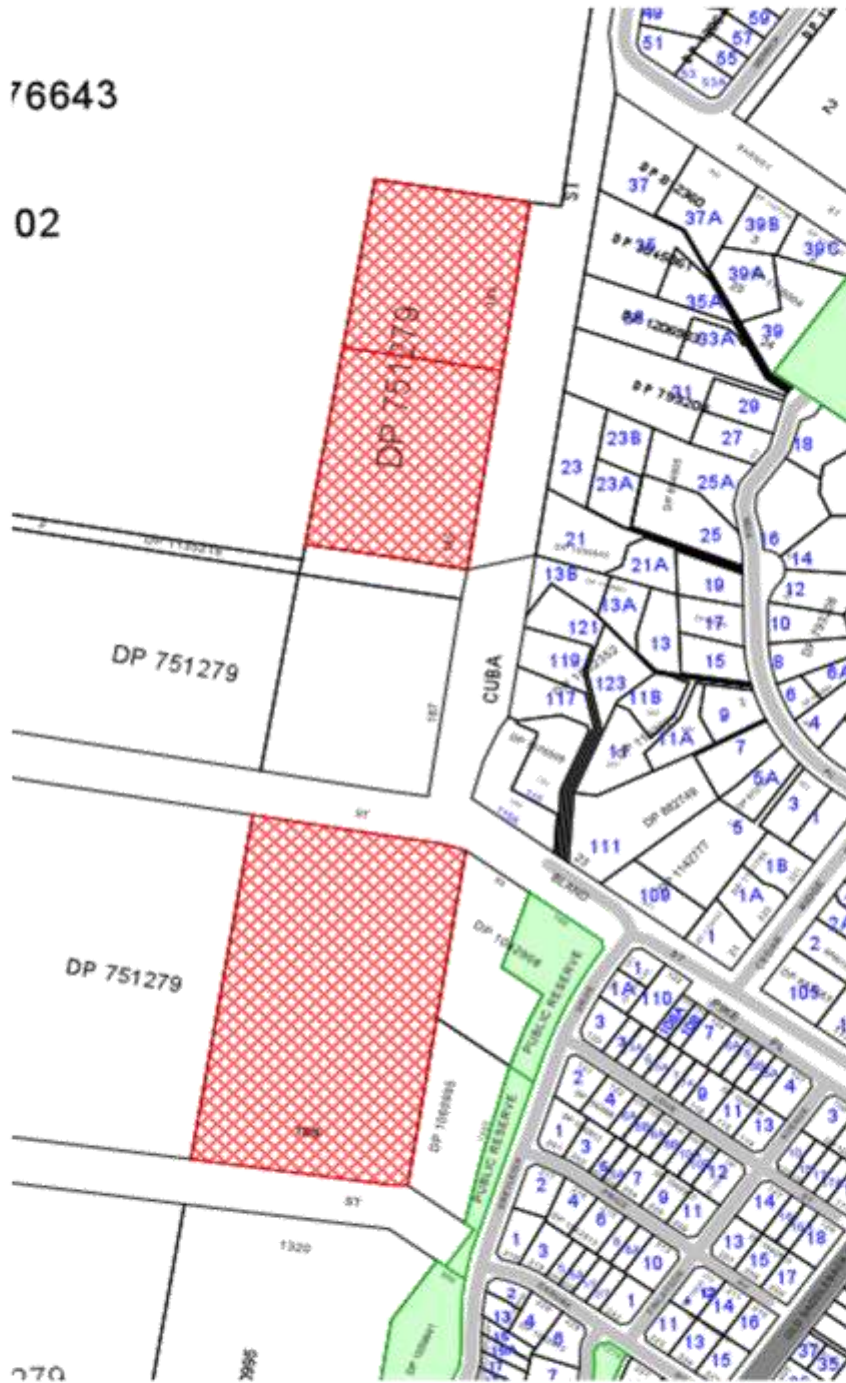
The current western edge of Kiama is considered to be a natural extremity that if extended would be on the downslope from a ridgeline exposing residential development (currently not required to meet Councils housing stock needs) to the detriment of the agricultural and scenic landscape when viewed from the western entry to Kiama.

Clause 4.5.4f of the Kiama Urban Strategy states:

“Council has strongly held the policy view that Kiama should not extend west beyond the current extent of West Kiama/Cedar Ridge/Cedar Grove town boundary.”

Attachments

- 1 Backsaddle Proposal Affected Properties [↓](#)
- 2 David Yates Proposal Properties [↓](#)



Backsaddle P/L - Properties involved

Item 14.7

Attachment 1



David Yates Affected Properties

Item 14.7

Attachment 2

14.8 Question for future meeting: shade sail and play equipment upgrade to the playground between Tombonda Drive and Whitton Place, KiamaResponsible Director: Engineering and Works

At the August 2017 Council meeting Councillor Reilly requested that at the September Budgetary Review, can Council consider both shade and an upgrade to the playground between Tombonda Drive and Whitton Place. The Mayor referred this matter to the Director Engineering and Works for investigation and report.

As requested the cost to provide a 12m x 12m shade structure at the reserve between Tombonda Drive and Whitton Place is approximately \$20,000 plus GST. No funds have been allocated in the current budget, however this playground equipment has been identified for replacement in 2020/21 financial year. It is proposed that when the equipment is replaced that the shade structure be included as part of the scope of works.

Item 14.8

14.9 Cemetery Policy

Responsible Director: Engineering and Works

At the Council meeting held on 19 September 2017, a revised Cemetery Policy was adopted which identified 16 potential improvements opportunities, including the introduction of double depth burials at Jamberoo and Gerringong cemeteries.

The implementation of double depth burials can occur immediately however the existing Council fees and charges do not facilitate this services. Accordingly, a review of the fees and charges for this service was conducted for the cemeteries at Wollongong and Shellharbour Council areas and this information was considered in developing the proposed fees for both Jamberoo and Gerringong Cemeteries. The following factors were also taken into consideration in developing the new fees:

- Cost recovery for a second burial in a single plot
- Remaining capacity within the cemetery
- Demand for burial sites at Gerringong and Jamberoo
- Comparative value with adjoining Councils that offer this service.
- Additional administrative costs

Currently all single burial sites at Kiama, Gerringong and Jamberoo are sold for \$1600 per plot regardless of the location.

Based on the above factors it is proposed that the following fees be accepted.

	Gerringong	Jamberoo	Wollongong	Shellharbour
Single Depth Plot – Resident	2,200	1,700	2,045	1,827
Double Depth Plot – Resident (additional charge)	2,200	1,700	2,045	2,243
Single Depth Plot – Non Resident	2,700	2,200	-	2,392
Double Depth Plot – Non Resident (additional charge)	2,700	2,200	-	2,871

It is recommended that the above fee proposal be adopted by Council and that it be placed on public exhibition for 28 days.

14.10 Short Term Holiday Lettings Options PaperResponsible Director: Office of the General Manager

It was reported to Councillors at the last Council meeting that the State Government had released an Options Paper on Short Term Holiday Lettings and that submissions were required to be made by 31 October 2017. A copy of the Options Paper was circulated to Councillors for consideration and Councillors were advised that a further report was to be submitted to the October meeting to enable Council the opportunity to further consider the Options Paper and to determine whether Council wishes to comment on the ideas raised in the Options Paper.

A copy of the previous report to Council is attached for Councillor information.

The matter of Short Term Holiday Lettings was also recently discussed at Council's Economic Development Committee and it was broadly felt that the current requirements under Chapter 12 – Short Term Rental Accommodation of Council's DCP were working adequately. There was one concern with the current regulation and that was with regard to enforceability and that perhaps there could be more attention given to breaches of the DCP and possible ramifications.

The principle issue of concern is the availability of appropriate regulation and enforcement action for those short term holiday lettings which cause unreasonable amenity impacts. Of further concern is effective waste management where it has been found the short term holiday letting occupants do not follow the Municipal organic recycling and waste disposal guidelines.

It is proposed that Council make a submission requesting:

1. 'Party house' regulations enabling easier enforcement action by Councils for those short term holiday lettings which cause unreasonable amenity impacts;
2. Support for councils wishing to provide educational material relating to waste management and other local requirements;
3. Ongoing review of any adopted policy to reassess the impact of short term holiday lettings on local housing affordability.

Attachments

- 1 Report to 19/09/17 Council meeting [↓](#)

ORDINARY MEETING

19 SEPTEMBER 2017

Reports for Information

14.28 Short Term Holiday Lettings - Options Paper

Responsible Director: Office of the General Manager

The NSW Government has released an Options Paper in relation to Short Term Holiday Letting.

The Options Paper states that there has been a rapid growth in Short Term Holiday Letting (STHL) both nationally and in NSW over recent years particularly since the emergence of online booking services and the development of the sharing economy.

The NSW Government's response to the Parliamentary enquiry in to the regulation of STHL supported putting in place a regulatory framework for STHL. The Options Paper seeks feedback on the approaches to enable economic benefits while managing the social and environmental impact of STHL.

The Options Paper built on the work of the Parliamentary enquiry and existing practice and considers different options to deliver an effective approach to short term holiday letting. The options outlined in the paper are summarized in the attached Figure 1.

The NSW Government is inviting people to respond to the ideas raised in the Options Paper by writing to the Department of Planning & Environment by 31 October 2017.

A copy of the Options Paper has been circulated to Councillors. Council's Tourism Advisory Committee has been made aware of the Options Paper.

Council's Local Environmental Plan permits the use of residential accommodation for the purpose of tourist and visitor accommodation (except bed and breakfast accommodation) if the use is only short term and does not interfere generally with the amenity of the neighbourhood in any way including by noise or traffic generation. Short term means for a maximum period of 60 consecutive days in any 12-month period.

The use of residential premises for short term holiday letting has been increasing at a significant rate over recent years. Most short term rental accommodation do not attract complaints. However, there are some properties that due to poor management do generate complaints. The complaints often relate to noise, the use of the premises as a party house, traffic and parking problems and waste concerns. Of the options presented in the Options Paper, the registration of premises to manage safety and amenity issues may be preferable subject to the administration of the registration being streamlined.

As submissions are not due until the end of October 2017, a further report will be submitted to the October Council meeting to enable Council the opportunity to further consider the Options Paper.

14.11 Councillors Meeting Register

Responsible Director: Office of the General Manager

Attached for Councillors' information is the Councillor Meeting Register for the period 12 July 2017 to 9 October 2017.

Attachments

- 1 Councillor Meetings Register - 12/07/17 to 09/10/17 [↓](#)

Meetings - 12/07/17 - 09/10/17

Officer Name	Meeting Date	Councillor Name	Subject	Duration
Clare Rogers	29/08/2017	Mark Honey	Meeting at Gerringong Town Hall with residents neighbouring the Gerringong Library and Museum development. Michael Forsyth also in attendance	60
	27/09/2017	Mark Honey	General catchup and discussion of issues	60
Sum				120

Gino Belsito	27/09/2017	Mark Honey	General catchup and discussion of issues	45
Sum				45

Kerry McMurray	19/09/2017	Mark Honey	Tourism signage and budget. Karen Ronning and Gino Belsito also in attendance	45
Sum				45

Mark Lyndon	3/10/2017	Mark Honey	Meeting with Glenys Day and Jeannie Lyall regarding draft Jamberoo DCP	60
Sum				60

Michael Forsyth	24/08/2017	Mark Honey	Meeting with Lisa and Scott Tierney regarding Gerringong Library and Museum development. Clare Rogers also in attendance	45
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Officer Name	Meeting Date	Councillor Name	Subject	Duration
	6/10/2017	Mark Honey	Review of DES applications	60
Sum				105
Grand Total				375

Item 14.11

Attachment 1

14.12 Questions for Future Meetings Register as at 9 October 2017

Responsible Director: Office of the General Manager

Attached for Councillors' information is the Questions for Future Meetings Register as at 9 October 2017.

Attachments

- 1 QFFM Register as at 10/10/17 [↓](#)

Questions for Future Meetings Register

16/73192

No	Details	Actions
22 June 2017		
17.4	Cedar Grove access Councillor Steel requested a report addressing the items raised by Mr Friedlieb, particularly how they relate to Council's adopted policies. The Deputy Mayor referred this matter to the Director Environmental Services for investigation and report.	Report going to October 2017 Council meeting
18 July 2017		
17.1	Bombo walking track – name Councillor Steel requested that a report be provided on suggested names for the walk between Darien Avenue and the Bombo quarry look out, where the new signs will be placed. The Mayor referred this matter to the Director Engineering & Works for investigation and report.	Report to be submitted to November 2017 Council meeting
22 August 2017		
17.1	September Budgetary Review Councillor Reilly requested that at the September Budgetary Review, can Council consider both shade and an upgrade to the playground between Tombonda Drive and Whitton Place. The Mayor referred this matter to the Director Engineering and Works for investigation and report.	Report going to October 2017 Council meeting
17.3	Conference reporting template Councillor Reilly requested that a template be developed for the purposes of Councillors attending conferences to provide consistent reports. The Mayor referred this matter to the General Manager for investigation and report.	Suggested template circulated to Councillors for comment and report submitted to October 2017 Council meeting
17.4	Community noticeboard Councillor Rice advised that despite Council's best intentions, it still struggles to reach many in our community with valuable community information. Councillor Rice requested a report that outlines the history of interest in a central Kiama noticeboard and provide an overview of the advantages and disadvantages of providing a strategically located touch screen for Council purposes. The Mayor referred this matter to the General Manager for investigation and report.	Report submitted to October 2017 Council meeting
19 September 2017		
17.1	Signage strategy The Mayor, Councillor Honey, requested that Council staff prepare a signage strategy for the Local	Report to be submitted to November 2017 Council meeting

No	Details	Actions
	Government area for tourism and directional signage giving due regard to SEPP 64 incorporating a style guide and identification for future treatments in signage. The Mayor referred the matter to the Director Engineering & Works for investigation and report.	

14.13 Question for Future Meeting: Community NoticeboardResponsible Director: Office of the General Manager

Councillor Rice requested a report that outlines the history of interest in a central Kiama noticeboard and provide an overview of the advantages and disadvantages of providing a strategically located touch screen for Council purposes.

There was a general noticeboard in the Kiama Village Shopping Centre which permitted community members to place a range of notices, however this was removed.

The Collective in Terralong Street has a community noticeboard which is well used allowing people to place a range of notices. There is also a noticeboard adjoining the Gerringong Town Hall which includes information on the South Precinct and relevant issues.

To increase communication opportunities a couple of years ago, Council provided Wi-Fi in the Kiama Town Centre enabling people to access a range of sites including Council's website and news updates. Over time and as funding permits it is hoped that the Wi-Fi can be extended to other town centres in the Municipality.

The provision of a strategically located touch screen for Council purposes has merit. It will be important to define the information to be included on the touch screen and to provide the necessary resources to manage the screen and update the information.

The Kiama Arts Centre and Gerringong School of Arts projects provide the opportunity for the inclusion of information touch screens in those facilities which will be centrally located and allow for easier management with staff to be present on each site.

It is proposed that Councillor Rice meet with Communications and other relevant staff to prepare a design and operational brief for the information touch screens to enable costs and other matters to be further determined by Council.

14.14 Conference Attendance Template

Responsible Director: Office of the General Manager

Following a recent request for a template specific to reporting on attendance at conferences, seminars or workshops, a template was created and has been circulated for Councillor comment.

The template has been created with the aim of providing consistency and ease of use and in an effort to cover all relevant areas of reporting, the template contains the following key headings:

- Conference details
 - name
 - location
 - dates
- Value of conference
 - main purpose the conference
 - agenda/program
- Key messages/highlights
 - issues raised by keynote speakers
 - main themes under discussion
- Benefits to Council
 - benefits/learnings for Council as a result of attendance
- Suggestions for future action
 - strategies to be developed
 - initiatives to be explored
- Overall rating
 - Relevance of conference rated between 1 and 5
- Attachments
 - supporting documentation
 - presentations
 - personal notes

The response to the template has been positive and it is requested that Councillors use this template for all future conference attendance reports.

Councillors are also encouraged to provide their reports, where practical, to the first Council meeting following their attendance at the conference. Further, where more than one councillor is in attendance at a conference, it is permissible for the one report to be submitted containing comments by all councillors who attended.

15 ADDENDUM TO REPORTS

16 NOTICE OF MOTION

16.1 Rescission Motion - Item 9.4 Planning Proposal Iluka Reserve

The Councillors identified have submitted the following Notice of Motion of Rescission:-

MOTION

That Minute No. OC-17/161 of the Ordinary Council meeting held on 19 September 2017 regarding the Planning Proposal for Park of Lot 34 DP28122 and part of Lot 243 DP30200, Park of Iluka Reserve, Kiama Downs be rescinded.

Councillors: Neil Reilly
Kathy Rice
Don Watson

Received 19 September 2017

Item 16.1

16.2 Rescission of Motion - Item 15.2 - Item 9.4 Report to Council Supporting Initial Gateway Consideration of the Planning Proposal for Housekeeping amendments to the Kiama LEP 2011

The Councillors identified have submitted the following Notice of Motion of Rescission:

MOTION

We the undersigned Councillors move a rescission motion against Committee Recommendation 16 (15.2 Rescission of Motion) Notice of Motion of the resolution made in relation to the report of the Acting Director of Environmental Services item 9.4 Report to Council Supporting Initial Gateway Consideration of the Planning Proposal for Housekeeping amendments to the Kiama LEP 2011 at the Council meeting held on 19 September.

The new motion be:

That Council consider all planning matters pertaining to Jamberoo at one time to ensure there is consistency in our decisions. Further, the timing of this decision is to be as close as possible to the time in which Council determines the DCP for Jamberoo that is currently being considered by the community and Council.

Councillors: Matt Brown
 Neil Reilly
 Don Watson

Received 9 October 2017

17 QUESTIONS FOR FUTURE MEETINGS

18 CONFIDENTIAL SUMMARY

CONFIDENTIAL COMMITTEE OF THE WHOLE

Submitted to the Ordinary Meeting of Council held on 17 October 2017

PROCEDURE

- Recommendation to go into Closed Committee.
- Mayoral call for Public Representations.
- Consideration of Representations and issues to be removed from Closed Committee.
- Recommendation to exclude Press and Public if required.
- Closed Committee discussions if required.

18.1 Exclusion Of Press And Public:

RECOMMENDATION

That in accordance with Sections 10 and 10A of the Local Government Act, 1993 as amended, Council close the meeting of the Confidential Committee of the Whole to the Press and Public on the grounds detailed under the report headings as detailed below.

19.1 PROPOSED LAND ACQUISITION

Reason for Confidentiality: This matter deals with information that would, if disclosed, confer a commercial advantage on a competitor of the council as per Section 10A(2)(dii) of the Local Government Act. .

19.2 KIAMA AGED CARE CENTRE OF EXCELLENCE - FUNDING

Reason for Confidentiality: This matter deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business as per Section 10A(2)(c) of the Local Government Act. .

19.3 AUDIT, RISK AND IMPROVEMENT COMMITTEE - EXPRESSIONS OF INTEREST

Reason for Confidentiality: This matter deals with personnel matters concerning particular individuals (other than councillors) as per Section 10A(2)(a) of the Local Government Act. .

19.4 LEGAL ADVICE - ALBERT V KIAMA MUNICIPAL COUNCIL

Reason for Confidentiality: This matter deals with information that would, if disclosed, prejudice the maintenance of law as per Section 10A(2)(e) of the Local Government Act. .

19 CONFIDENTIAL REPORTS

19.1 Proposed Land Acquisition

CSP Objective: 4.0 Responsible civic leadership that is transparent, innovative and accessible

CSP Strategy: 4.1 Council is financially sustainable

Delivery Program: 4.1.1 Meeting and reporting against IPART/Fit for the Future benchmarks

REASON FOR CONFIDENTIALITY

This item is classified CONFIDENTIAL under the provisions of Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to information that would, if disclosed, confer a commercial advantage on a competitor of the council.

19.2 Kiama Aged Care Centre of Excellence - Funding

CSP Objective: 1.0 A healthy, safe and inclusive community

CSP Strategy: 1.2 Planning for and assisting specific needs groups

Delivery Program: 1.2.1 Operate Blue Haven Care

REASON FOR CONFIDENTIALITY

This item is classified CONFIDENTIAL under the provisions of Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

19.3 Audit, Risk and Improvement Committee - Expressions of Interest

Responsible Director: Finance, Corporate and Commercial Services

REASON FOR CONFIDENTIALITY

This item is classified CONFIDENTIAL under the provisions of Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to personnel matters concerning particular individuals (other than councillors).

19.4 Legal Advice - Albert v Kiama Municipal Council

CSP Objective: 2.0 Well planned and managed spaces, places and environment

CSP Strategy: 2.3 The principles of sustainable development and compliance underpin town planning and local development

Delivery Program: 2.3.1 Conduct development and building assessment/approval functions in accordance with statutory requirements, policies and procedures

REASON FOR CONFIDENTIALITY

This item is classified CONFIDENTIAL under the provisions of Section 10A(2) of the Local Government Act 1993, which permits the meeting to be closed to the public for business relating to information that would, if disclosed, prejudice the maintenance of law.

20 CLOSURE

Item 19.1 CONFIDENTIAL