

AUDIT AND RISK MANAGEMENT COMMITTEE PERFORMANCE ASSESSMENT OUTCOMES

Report Author: Executive Officer Governance, Risk & Compliance
Responsible Officer: Director Corporate Services
Ward(s) affected: All Wards;

The author(s) of this report and the Responsible Officer consider that the report complies with the overarching governance principles and supporting principles set out in the Local Government Act 2020.

CONFIDENTIALITY

This item is to be considered at a Council meeting that is open to the public.

SUMMARY

Section 53 of the *Local Government Act 2020* (the Act) requires Council to establish an Audit and Risk Management Committee (Committee). The Committee provides independent guidance and advice to Council on the adequacy and effectiveness of Council's practices and potential improvements. Section 54(4) of the Act requires the Committee review its own performance annually to critically assess the Committee's operations and identify areas for improvement.

In 2024, the assessment was undertaken using an online form and distributed to Committee members and key Council Officers. The results of this assessment serve as a foundation for reflection and continuous improvement, enabling the Committee to enhance its contribution to Council's overall governance and risk management.

This report outlines the results of this assessment and is provided to Council for oversight and to provide transparency that the Committee is fulfilling its duties.

The feedback from the 2024 survey indicates a high level of satisfaction with the performance of the Committee, the information provided to the Committee and level of support for the Committee from Council officers. The results indicate satisfactory performance in all assessment areas, however further minor opportunities for improvement were identified and will be implemented.

RECOMMENDATION

That Council note the results of the annual Audit and Risk Management Committee Performance Assessment.

RELATED COUNCIL DECISIONS

Section 54(4) of the *Local Government Act 2020* (the Act) requires the Committee to perform an annual assessment and to provide a copy of the annual assessment to the Chief Executive Officer for tabling at the next Council meeting.

DISCUSSION

The Committee provides independent advice to Council on the effectiveness of its management practices, system, policies and identifies areas of potential improvements. The Committee undertakes this through the delivery of the Annual Work Plan and through regular Committee Meetings. To ensure the effectiveness of this process and to maintain good governance, the Committee undertakes an annual assessment of their performance against the requirements of the Audit and Risk Management Committee Charter.

The 2024 assessment was provided to all Committee members and key Council Officers for response. The survey questions covered primary areas of the Committee's roles, responsibilities, and Charter, as well as Council's roles and administration.

Overall, the feedback from the 2024 assessment indicated a high level of satisfaction and self-reported performance from the five Committee members. 98% of responses were favourable, and 2% of responses were neutral. No unfavourable responses were recorded.

The assessment revealed specific areas of strength and opportunities for improvement. Committee members and Council Officers expressed high satisfaction with management's support for continuous improvement, with 100% of responses being favourable. The Committee's skills and experience were also highly regarded, particularly by key Council Officers, with 88% strongly agreeing on this aspect.

Some areas for enhancement were identified, including:

- Improving the timeliness of providing meeting materials to allow for adequate review time.
- Enhancing reporting on the Council's current and changing risk profile to strengthen the Committee's risk management oversight.
- Ensuring all members are aware of the opportunity to seek pre-briefings before meetings.
- Improving the quality and maintenance of meeting minutes.
- Receiving sufficient information to understand and assess management's processes for identifying, evaluating, and managing risk.
- Considering the adequacy of internal audit resources.

In response to this feedback, Council Officers are implementing strategies to address these areas of improvement and ensure the ongoing development of the Committee's performance.

The assessment results from the four key Council Officers supporting the Committee also indicated a high level of satisfaction with the performance of the Committee. 99% favourable responses, and 1% of responses being neutral. No unfavourable responses were recorded. Feedback signalled satisfaction with skill, experience, diligence, and advice and knowledge sharing provided by the Committee. Council Officers noted that ongoing improvements in their own reporting would further support the Committee in undertaking its duties.

These 2024 performance assessment results were noted by the Committee at their meeting on 19 August 2024. The results are presented to Council for transparency and to build understanding of the functions of the Committee. Council should note the satisfactory self-assessment as well as positive feedback obtained from key Council Officers as a representation of the Committee achieving its objectives and fulfilling its duties.

FINANCIAL ANALYSIS

The costs associated with developing and implementing the annual Committee assessment are included within the adopted 2024/25 operating budget.

APPLICABLE PLANS AND POLICIES

No plans or policies are applicable to the recommendation in this report.

RELEVANT LAW

Section 54(4) of the Act requires the Committee to perform an annual assessment and to provide a copy of the annual assessment to the Chief Executive Officer for tabling at the next Council meeting.

SUSTAINABILITY IMPLICATIONS

No economic, social, and environmental sustainability implications are applicable to the recommendation in this report.

COMMUNITY ENGAGEMENT

The Committee is an advisory committee of Council and therefore, community engagement is not relevant to the recommendation in this report.

COLLABORATION, INNOVATION AND CONTINUOUS IMPROVEMENT

The Committee is an advisory committee of Council and therefore, no collaboration with other Councils, Governments, or statutory bodies was sought. Independent members of the Committee provide insight and feedback from other Councils, Governments and Statutory bodies.

The results of this assessment serve as a foundation for continuous improvement and innovation, enabling the Committee to enhance its contribution to Council's overall governance and risk management.

RISK ASSESSMENT

The annual Committee Performance Assessment is an important risk management tool that provides valuable insights into the effectiveness and efficiency of the Committee's operations. This assessment process helps identify strengths, weaknesses, and areas for improvement.

This proactive approach to self-evaluation mitigates the risk of oversight failures and ensures that the Committee remains responsive to evolving governance challenges and emerging risks faced by Council.

The results of this assessment serve as a foundation for continuous improvement and innovation, enabling the Committee to enhance its contribution to Council's overall governance and risk management.

By addressing any identified shortcomings and building on recognised strengths, the Committee can refine its practices, improve its decision-making processes, and strengthen its ability to provide independent assurance to Council.

Ultimately, this annual assessment process contributes significantly to reducing Council's risk exposure by ensuring that its primary oversight body remains effective, efficient, and aligned with best practices in governance and risk management.

CONFLICTS OF INTEREST

No officers and/or delegates acting on behalf of the Council through the Instrument of Delegation and involved in the preparation and/or authorisation of this report have any general or material conflict of interest as defined within the *Local Government Act 2020*.

ATTACHMENTS

Nil