



## BUSINESS PAPER

### ORDINARY MEETING OF COUNCIL

To be held on

Wednesday, 26 July 2023

4pm

at

Armidale Council Chambers

#### **Members**

Councillor Sam Coupland (Mayor)  
Councillor Todd Redwood (Deputy Mayor)  
Councillor Paul Gaddes  
Councillor Jon Galletly  
Councillor Susan McMichael  
Councillor Steven Mephram  
Councillor Debra O'Brien  
Councillor Margaret O'Connor  
Councillor Paul Packham  
Councillor Dorothy Robinson  
Councillor Bradley Widders

AGENDA

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15.1	Evaluation Report and Recommendation - ARC Building Trades Panel of Pre Qualified Contractors <i>(General Manager's Note: The report considers a tender and is deemed confidential under Section 10A(2)(d) of the Local Government Act 1993, as it deals with commercial information of a confidential nature that would, if disclosed (i) prejudice the commercial position of the person who supplied it; or (ii) confer a commercial advantage on a competitor of the Council; or (iii) reveal a trade secret).</i>	
15.2	Mayoral Minute: General Manager's Performance Review	

*(**General Manager's Note:** The report considers the General Manager's Performance Review and is deemed confidential under Section 10A(2)(a) of the Local Government Act 1993, as it deals with personnel matters concerning a particular individual).*

## **Ethical Decision Making and Conflicts of Interest**

### ***A guiding checklist for Councillors, officers and community committees***

#### **Oath or Affirmation of Office**

Councillors are reminded of the Oath or Affirmation taken of office, made under section 233A of the *Local Government Act 1993* when elected.

#### **Ethical decision making**

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of interest?
- Do you stand to gain personally at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

#### **Conflict of interest**

A conflict of interest is a clash between private interest and public duty. There are two types of conflict:

- ***Pecuniary*** – regulated by the *Local Government Act 1993* and Office of Local Government
- ***Non-pecuniary*** – regulated by Codes of Conduct and policy. ICAC, Ombudsman, Office of Local Government (advice only). If declaring a Non-Pecuniary Conflict of Interest, Councillors can choose to either disclose and vote, disclose and not vote or leave the Chamber.

#### **The test for conflict of interest**

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of 'corruption' – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

#### **Identifying problems**

**1st** Do I have private interests affected by a matter I am officially involved in?

**2nd** Is my official role one of influence or perceived influence over the matter?

**3rd** Do my private interests conflict with my official role?

#### **Local Government Act 1993 and Model Code of Conduct**

For more detailed definitions refer to the *Local Government Act 1993*, Chapter 14 Honesty and Disclosure of Interest and Model Code of Conduct.

#### **Disclosure of pecuniary interests / non-pecuniary interests**

Under the provisions of Section 440AAA(3) of the *Local Government Act 1993* (pecuniary interests) and the Model Code of Conduct it is necessary for you to disclose the nature of the

interest when making a disclosure of a pecuniary interest or a non-pecuniary conflict of interest at a meeting.

**A Declaration form should be completed and handed to the General Manager** as soon as practicable once the interest is identified. Declarations are made at Item 3 of the Agenda: Declarations - Pecuniary, Non-Pecuniary and Political Donation Disclosures, and prior to each Item being discussed: The Declaration Form can be downloaded at [Disclosures and Declarations of Interest at Meetings](#).

**Item:** 5.1 **Ref:** AINT/2023/12639  
**Title:** Minutes of Previous Meeting held 28 June 2023 **Container:**  
ARC16/0001-8  
**Responsible Officer:** General Manager  
**Author:** Melissa Houtt, Executive Officer  
**Attachments:** 1. Draft OCM Minutes - 28 June 2023

**RECOMMENDATION:**

That the Minutes of the Ordinary Council meeting held on 28 June 2023 be taken as read and accepted as a true record of the meeting, noting the proposed minor correction to agenda item 8.4, draft resolution 72/23, dot point two, to read s55(3)(i); the (3) having been inadvertently omitted.

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<b>Item:</b>	<b>6.1</b>	<b>Ref: AINT/2023/14976</b>
<b>Title:</b>	<b>Mayoral Minute - Appointment of Acting General Manager</b>	<b>Container: ARC16/0001-8</b>
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Sam Coupland, Mayor</b>	
<b>Attachments:</b>	<b>Nil</b>	

## 1. Purpose

The purpose of this report is to appoint an Acting General Manager whilst the General Manager is on a period of annual leave from Monday 1 September 2023 to Friday 20 October 2023.

## 2. MAYORS' RECOMMENDATION:

That Council;

- a. Appoint Chief Officer Planning and Activation, Mr Daniel Boyce, to the role of Acting General Manager from Monday 1 September 2023 to Friday 20 October 2023 whilst General Manager, Mr James Roncon, is on a period of annual leave.
- b. Approves that the General Manager's Delegations of Authority and Authorisations pursuant to *Part 3 of the Local Government Act 1993 Sections 377 and 381* be issued to Council's Chief Officer Planning and Activation, Mr Daniel Boyce, to be able to carry out all functions of the General Manager whilst in the role of Acting General Manager from Monday 1 September 2023 to Friday 20 October 2023.

Delegations and Authorisations to the General Manager to carry out the operational functions of Council are made under *Part 3 Delegation of Function of the Local Government Act 1993*.

Section 377 of the Act (General power of the Council to delegate) states that:

- (1) A Council may, by resolution, delegate to the General Manager or any other person or body (not including another employee of the Council) any of the functions of the Council, other than the following:
  - (a) the appointment of a General Manager,
  - (b) the making of a rate,
  - (c) a determination under section 549 as to the levying of a rate,
  - (d) the making of a charge,
  - (e) the fixing of a fee,
  - (f) the borrowing of money,
  - (g) the voting of money for expenditure on its works, services or operations,
  - (h) the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment),
  - (i) the acceptance of tenders to provide services currently provided by members of staff of the Council,
  - (j) the adoption of an operational plan under section 405,

- (k) the adoption of a financial statement included in an annual financial report,
  - (l) a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6,
  - (m) the fixing of an amount or rate for the carrying out by the Council of work on private land,
  - (n) the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the Council for the carrying out of any such work,
  - (o) the review of a determination made by the Council, and not by a delegate of the Council, of an application for approval or an application that may be reviewed under *Section 82A of the Environmental Planning and Assessment Act 1979*,
  - (p) the power of the Council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194,
  - (q) a decision under section 356 to contribute money or otherwise grant financial assistance to persons,
  - (r) a decision under section 234 to grant leave of absence to the holder of a civic office,
  - (s) the making of an application, or the giving of a notice, to the Governor or Minister,
  - (t) this power of delegation,
  - (u) any function under this or any other Act that is expressly required to be exercised by resolution of the Council.
- (1A) Despite subsection (1), a Council may delegate its functions relating to the granting of financial assistance if –
- (a) the financial assistance is part of a specified program, and
  - (b) the program is included in the Council’s draft operational plan for the year in which the financial assistance is proposed to be given, and
  - (c) the program’s proposed budget for that year does not exceed 5 per cent of the Council’s proposed income from the ordinary rates levied for that year, and
  - (d) the program applied uniformly to all persons within the Council’s area or to a significant proportion of all the persons within the Council’s area.
- (2) A Council may, by resolution, sub-delegate to the General Manager or any other person or body (not including another employee of the Council) any function delegated to the Council by the Departmental Chief Executive except as provided by the instrument of delegation to the Council.
- (3) A Council may delegate functions to a joint organisation only with the approval, by resolution, of the board of the joint organisation.

In addition, Section 378 of the Act (Delegations by the General Manager) also provides that:

- (1) The General Manager may delegate any of the functions of the General Manager, other than this power of delegation.
- (2) The General Manager may sub-delegate a function delegated to the General Manager by the Council to any person or body (including another employee of the Council).
- (3) Subsection (2) extends to a function sub-delegated to the General Manager by the Council under section 377 (2).



Delegations and authorisations were issued to Council's General Manager, Mr James Roncon, when he was appointed to the role of General Manager on 11 January 2021. This delegation was also formally adopted by the 2022 incoming Councillors at the 12 January 2022 Ordinary Council Meeting.

*Section 377(1)(a) of the Local Government Act 1993* also requires that, for a Council Officer to be appointed to act in the position of General Manager whilst the General Manager is absent due to illness or planned annual leave, this appointment must be by resolution of Council; and subsequently the issuing of the General Manger's delegations and authorisations to the Acting General Manager must also be by resolution of Council.

Therefore, I recommend to Council that Council's Chief Officer Planning and Activation, Mr Daniel Boyce be appointed to the role of Acting General Manager, which includes being issued with the General Manager's delegations and authorisations, whilst Council's General Manager, Mr James Roncon, is on a period of annual leave from 1 September 2023 to 20 October 2023.

The appointment of an Acting General Manager will facilitate the full efficient and effective management and administration of Council's day-to-day operations during this period.

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<b>Item:</b>	<b>7.1</b>	<b>Ref: AINT/2023/15047</b>
<b>Title:</b>	<b>Mayor and Councillors Remuneration 2023-24 ARC16/0001-8</b>	<b>Container:</b>
<b>Responsible Officer</b>	<b>Chief Financial Officer</b>	
<b>Author:</b>	<b>Melissa Hault, Executive Officer</b>	
<b>Attachments:</b>	1. 2023 LG Remuneration Tribunal Annual Determination	

### 1. Purpose

The purpose of this report is to have Council resolve to increase the annual fee for the Mayor and Councillors by 3% per annum in accordance with the Local Government Remuneration Tribunal's Annual Determination for the 2023-24 financial year.

### 2. OFFICERS' RECOMMENDATION:

That Council:

- a) Fix the following fees payable for the 2023-24 financial year:

Councillor Annual Fee	\$26,070
Mayor Additional Annual Fee	\$64,390

- b) Note that the annual fee fixed and payable to the Mayor is in addition to the fee paid to the Mayor as a Councillor.

### 3. Background

The Local Government Remuneration Tribunal (*the Tribunal*) is constituted under Chapter 9, Division 4 of the *Local Government Act 1993 (the Act)*.

The Tribunal is required to make annual determinations on the categorisation of each council, county council and mayoral office for the purpose of determining the minimum and maximum fees payable to councillors, members of county councils and mayors in each category.

Section 241 of the Act

The Tribunal has made a determination pursuant to s241 of the Act, of the annual fees to be paid to Councillors and Mayors. The Tribunal's determination takes effect from 1 July each year.

### 4. Discussion

The Tribunal has determined an increase of 3% to mayoral and councillor fees for the 2023-24 financial year, with effect from 1 July 2023.

Sections 248 and 249 of the Act require councils to fix and pay an annual fee based on the Tribunal's determination for the 2023-24 financial year.

Armidale Regional Council is categorised as a Regional Centre.

For the 2023-24 financial year, annual fees payable to Councillors in the Regional Centre category range from a minimum of \$14,810 to a maximum of \$26,070, and an additional annual Mayoral fee from a minimum of \$30,820 to a maximum of \$64,390. Council has historically fixed the maximum fee levels.

A council may pay the deputy mayor a fee determined by the council for such time as the deputy mayor acts in the office of the mayor. The amount of the fee so paid must be deducted from the mayor's annual fee.

There is no proposal to pay a fee to the deputy mayor.

A council cannot fix a fee higher than the maximum amount determined by the Tribunal.

If a council does not fix a fee, the council must pay the minimum fee determined by the Tribunal.

Section 250 of the Act states that fees are payable monthly in arrears for each month (or part of a month) for which the councillor holds office.

The Tribunal's Annual Report and Determination are annexed to this report.

## 5. Implications

### 5.1. Strategic and Policy Implications

The Local Government Act 1993 (the LG Act) requires the Local Government Remuneration Tribunal (the Tribunal) to report to the Minister for Local Government by 1 May each year on its determination of categories of councils and the maximum and minimum amounts of fees to be paid to mayors, councillors, and chairpersons and members of county councils.

In Accordance with the Act the Tribunal undertook a review of the categories and the allocation of councils into each category as part of its review. Armidale Regional Council is categorised as a Non-Metropolitan Regional Centre.

The proposal supports some of the goals outlined in Council's Advancing our Region Community Plan 2022-2032 and Delivery Program 2022-2026 including:

#### Strong governance and leadership that supports our region to grow and prosper

How will we get there?	Ref.	Who can help?
Provide a strong, transparent, sustainable, and responsive governance for our region	S2.1	Council State and Federal governments Local members Residents
Ensure that strategic directions are informed by, and with, the community and are delivered in consideration of available resources	S2.2	
Manage public resources responsibly and efficiently for the benefit of the community	S2.3	

### 5.2. Risk

There are no significant risks associated with the adoption of the 2023-24 Mayor and Councillor Allowances or determination to pay superannuation.

### 5.3. Sustainability

The level of fees paid will depend on the category the council is in. Payment of fees in accordance with the maximum fee level provided in the schedule assists with ensuring that elected officials are adequately remunerated for the work that they perform.

The payment of superannuation contributions would be in addition to the allowance paid and would ensure that Councillors are not financially disadvantaged in electing to dedicate their time to public service.

#### 5.4. Financial

The table below assumes that the maximum allowance and payment of superannuation is determined for the 2023-24 financial year.

Budget Area:	Executive & Councillors						
Funding Source:	2023-24 Untied Revenue						
Budget Ref: (PN)	Description	Draft Budget 2023-24	Actual	Committed	Proposed	Total Forecast Expenditure	Remaining Budget
210653.1.1860.333							
2412	Mayoral Allowance	\$97,508			\$90,460	\$90,460	\$7,048
2414	Councillor Fees	\$286,624			\$260,700	\$260,700	\$25,924
TOTAL		\$384,132			\$351,160	\$351,160	\$32,972

The recommendation will impact financially, representing an increase in payments to Councillors and the Mayor of 3%.

The following table provides a breakup of 2022-23 fees paid and what is recommended to be paid in 2023-24.

	2022-23	2023-24	\$ Increase	% Increase
Councillor Fee	\$25,310	\$26,070	\$760	3%
Additional Mayoral Fee	\$62,510	\$64,390	\$1,880	3%
Total Mayoral Allowance	\$87,820	\$90,460	\$2,640	3%

#### 6. Consultation and Communication

##### 2022 Process

The Tribunal wrote to all mayors or general managers and LGNSW in October 2022 to advise of the commencement of the review and invited submissions regarding re-categorisation, fees and other general matters.

Eighteen (18) submissions were received, fifteen (15) from individual councils, one (1) submission was received from LGNSW, one (1) from Australian National University academic, Associate Professor Tanya Jakimow, and one (1) from the United Services Union.

There is no legislative requirement for Council to undertake any further consultation on these matters.

On 27 April 2023 Council received the Annual Determination from the Local Government Remuneration Tribunal that determined the 3% remuneration increase.

**7. Conclusion**

The Tribunal has determined an increase of 3% to mayoral and councillor fees for the 2023-24 financial year, with effect from 1 July 2023.

Sections 248 and 249 of the Act require councils to fix and pay an annual fee based on the Tribunal's determination for the 2023-24 financial year.

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<b>Item:</b>	<b>7.2</b>	<b>Ref: AINT/2023/15253</b>
<b>Title:</b>	<b>Council Actions Report January 2022 - June 2023</b>	<b>Container:</b>
	<b>ARC16/0001-8</b>	
<b>Responsible Officer</b>	<b>General Manager</b>	
<b>Author:</b>	<b>Michaella Giandomenico, Executive Officer</b>	
<b>Attachments:</b>	1. Action Items Report - 26 July 2023 OCM	

### **1. Purpose**

The purpose of this report is to inform Councillors on the work carried out by Council Officers to implement Council resolutions.

### **2. OFFICERS' RECOMMENDATION:**

That Council notes the report summarising the actions taken on the resolutions of Council.

### **3. Background**

This is a standard monthly report.

### **4. Discussion**

The resolutions outlined in the attachment have been previously adopted by Council. This report is designed to track progress on implementation from January 2022. Actions marked complete will be reported to Council once and then removed from subsequent reports.

### **5. Implications**

#### **5.1. Strategic and Policy Implications**

The strategic and policy impacts of each of the resolutions are varied and were outlined in the original reports to Council.

#### **5.2. Risk**

The risks of each of the resolutions are varied and were outlined in the original reports to Council.

#### **5.3. Sustainability**

The sustainability impacts of each of the resolutions are varied and were outlined in the original reports to Council.

#### **5.4. Financial**

The financial impacts of each of the resolutions are varied and were outlined in the original reports to Council.

### **6. Consultation and Communication**

This report informs Councillors and the community and increases transparency.

### **7. Conclusion**

The information is for noting only.

<b>Item:</b>	<b>8.1</b>	<b>Ref: AINT/2023/11956</b>
<b>Title:</b>	<b>Cash and Investment Report 30 April 2023 Container: ARC16/0001-8</b>	
<b>Responsible Officer</b>	<b>Chief Financial Officer</b>	
<b>Author:</b>	<b>Brad Munns, Financial Accountant</b>	
<b>Attachments:</b>	Nil	

### 1. Purpose

Regulation 212 of the NSW *Local Government (General) Regulations 2021* requires the responsible accounting officer of a council to provide the Council with a written report, setting out details of all money that the council has invested under section 625 of the Act, to be presented each month and must include in the report, a certificate as to whether or not the investment has been made in accordance with the Act, the Regulations and the Council's investment policies.

This Cash and Investment report provides details of cash and investments held by Council for the month to 30 April 2023, and certifies compliance with Council's Investment Policy and the *Local Government Act 1993* and Regulations.

### 2. OFFICERS' RECOMMENDATION:

That Council note the Cash and Investment Report for April 2023.

### 3. Background

As at 30 April 2023, Council held \$120,169,066 in investments (market value) and \$7,869,190 in cash, giving a combined total of \$128,038,256.

### 4. Discussion

Cash & Investment Balances	April 2023 \$	March 2023 \$	Movement \$
<b><u>Cash at Bank</u></b>			
NAB General Accounts	1,863,631	-	1,863,631
NAB Cash At Call	4,641,149	5,255,029	(613,880)
AMP Saver Account	19,501	19,477	24
NAB Trust Fund	1,344,909	1,341,103	3,806
<b>Total Cash</b>	<b>7,869,190</b>	<b>6,615,609</b>	<b>1,253,581</b>
<b><u>Investments</u></b>			
NSW Treasury Corp (T-Corp) Investment Management (IM) Fund	10,258,676	10,221,900	36,776
Term Deposits	109,910,390	109,878,973	31,417
<b>Total Investments</b>	<b>120,169,066</b>	<b>120,100,873</b>	<b>68,193</b>
<b>Total Cash &amp; Investments</b>	<b>128,038,256</b>	<b>126,716,482</b>	<b>1,321,774</b>

Summary of investment movements for April 2023:

<b>Investment Maturities/Movements</b>		<b>New Investments</b>	
<b>Institution</b>	<b>Amount \$</b>	<b>Institution</b>	<b>Amount \$</b>
ING	(10,000,000)	BOQ	20,000,000
NAB	(7,000,000)	NAB	7,000,000
CBA	(10,000,000)		
Movement in Interest Receivable on Term Deposits	31,417		
Market Movement T-Corp Investment Fund	36,776		
<b>Total</b>	<b>(26,931,807)</b>	<b>Total</b>	<b>27,000,000</b>

Funds from term deposit maturities are held in the NAB Cash at Call account and pending cashflow requirements, are invested in further term deposit investments. New investments and maturities during April 2023 are detailed above. The next term deposit maturities are \$34m in May 2023 (NAB, WBC, CBA), \$6m in June 2023 (CBA), \$8m in July 2023 (NAB, CBA), \$16m in August 2023 (AMP, BOQ, WBC).

During April 2023, term deposit rates steadied as the Reserve Bank of Australia (“RBA”) held the official cash rate steady at its April 2023 meeting. Market expectations of future RBA rate rises appeared to have steadied however on 3 May 2023, the RBA increased the official cash rate by 0.25% from 3.60% to 3.85% and a further 0.25% to 4.10% on 6 June 2023.

Council continues to monitor investment markets and continues to take a conservative position holding cash reserves, along with reviewing longer term investment options to take advantage of higher returns.

Investment Revenue Earned

	<b>April 2023</b>	<b>March 2023</b>	<b>Movement</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
NAB General Cash Account	1,166	259	907
Term Deposits	335,779	305,771	30,008
NSW T-Corp IM Fund (Note 1)	36,776	32,896	3,880
NAB Cash at Call Account	16,356	25,587	(9,231)
AMP Saver Account	24	25	(1)
NAB Trust Account	3,806	4,128	(322)
<b>Total</b>	<b>393,907</b>	<b>368,666</b>	<b>25,241</b>

Note 1: Council holds an investment in the NSW T-Corp IM Fund – Short Term Income Fund. The IM Fund is a unitised investment, so the investment revenue consists of interest distributions credited by way of additional units issued, plus the movement (either upwards or downwards) of the underlying unit value.



Investments are diversified across a range of institutions, with funds invested to ensure the portfolio is aligned with the Investment Policy.

Issuer	Short Term Rating	Market Value \$	% Total Value
AMP Bank	A2	3,060,652	2.55%
Bank of Queensland	A2	30,295,521	25.21%
Bendigo & Adelaide Bank	A2	5,115,856	4.26%
Commonwealth Bank of Australia	A1+	30,294,997	25.20%
ING Bank	A1	13,562,903	11.29%
National Australia Bank	A1+	7,030,571	5.85%
Westpac Banking Corporation	A1+	20,549,890	17.10%
NSW T Corp – IM Fund (Short Term Income Fund)	AA+	10,258,676	8.54%
<b>Total</b>		<b>120,169,066</b>	<b>100%</b>

**Certification:**

I, Ann Newsome, Chief Financial Officer, hereby certify that the above investments have been made in accordance with the Regulation (Section 212), the *Local Government Act 1993* (the Act) (Section 625), and Council’s Investment Policy (the Policy).

Investment Yield

Term of Investment	April 2023			March 2023		
	ARC*	Avg BBSW rate #	Out/(under) performance	ARC	Avg BBSW rate #	Out/(under) performance
6 months	3.40%	3.75%	(0.35%)	3.14%	3.71%	(0.57%)
12 months	2.49%	3.48%	(0.99%)	2.17%	3.36%	(1.19%)

\* The ARC returns are backward looking and represent the average investment yield

# The BBSW rate is forward looking and represents the current bank bill swap rate. From March 2023, the table above provides the BBSW average rate in an effort to compare the ARC return over time against a comparable benchmark rate over time (eg ARC return for 6 months compared with the average BBSW rate over the same 6 month period).

**5. Implications**

**5.1. Strategic and Policy Implications**

All of Council’s investments for the period are in accordance with:

- Council Investment Policy
- *Local Government Act 1993* – Section 625
- *Local Government Act 1993* – Order of the Minister dated 12 January 2011
- *The Local Government (General) Regulation 2021* – Reg 212

The investment of surplus funds must remain in line with Council’s Investment Policy. This will ensure sufficient working capital is retained and restrictions are supported by cash and investments that are easily converted into cash. Cash management complies with the *NSW Local Government (General) Regulation 2021*.

The Investment Policy relates to:

- Council’s Community Plan 2022-2032 theme category of “Strong Region – Engagement and Responsibility” and related strategy of “Manage public resources responsibly and efficiently for the benefit of the community.”
- Council’s Delivery Program 2022-2026 includes initiatives S2.3.2 “Maintain financial sustainability by meeting Performance Ratios and Fit for the Future Benchmarks, while ensuring sustainable cash reserves to support service levels and assets” and S2.3.5 “Manage our assets responsibly to ensure greater lifespan and usability and to reduce financial burden”.
- Council’s Operational Plan 2022-23: Asset Management, Finance and Procurement, Governance, Strategy and Risk.

## 5.2. Risk

Council invests in Term Deposits, Cash and the NSW Treasury Corporation Short Term Investment Fund which is a managed fund product. Rates of return on these investments are generally higher than the Bank Bill Swap (BBSW) Index however the recent increase in fixed interest rates has resulted in the BBSW index moving ahead of Council’s returns. For the month of April 2023, the 1-year BBSW rate increased from 3.60% to 3.66%. Council’s 1-year return to April 2023 of 2.49% is less than the 1-year BBSW rate of 3.66% and the average 1 year BBSW rate of 3.48%. Council’s one month return for April 2023 was 4.19%.

The BBSW has moved to 3.66% over calendar 2022 and 2023 (up from 0.59% in Jan22). The BBSW is influenced by forward looking returns in the market/where the market is pricing future interest rate movements in the short term, while Council’s returns are based on historical term deposit rates i.e. backward looking e.g. 0.35% return for a 12-month Term Deposit in October 2021.

Council’s investment return was above the RBA Official Cash rate of 0.35% prior to 7 June 2022, when the RBA increased the official cash rate from 0.35% to 0.85%. The recent history of increases in the official cash rate is detailed below:

Date	Rate Increase	From	To
4 May 2022	0.25%	0.10%	0.35%
8 June 2022	0.50%	0.35%	0.85%
5 July 2022	0.50%	0.85%	1.35%
2 August 2022	0.50%	1.35%	1.85%
6 September 2022	0.50%	1.85%	2.35%
5 October 2022	0.25%	2.35%	2.60%
2 November 2022	0.25%	2.60%	2.85%
7 December 2022	0.25%	2.85%	3.10%
7 February 2023	0.25%	3.10%	3.35%
8 March 2023	0.25%	3.35%	3.60%

5 April 2023	-	3.60%	3.60%
3 May 2023	0.25	3.60%	3.85%
6 June 2023	0.25	3.85%	4.10%

Council's responsibility is to ensure working capital is retained and restrictions are supported by cash.

Council considers effective risk management practices exist over its cash and investment holdings.

### 5.3. Sustainability

Council utilises an online Portfolio Platform to manage its investments and investment register. The number of investments has been rationalised allowing for more efficient internal investment management to be performed. Communication is performed by electronic means, resulting in efficiencies of processes and a reduction in the use of paper.

### 5.4. Financial

<b>Budget Area:</b>	Financial Services						
<b>Funding Source:</b>	General Fund (untied revenue) Water Fund (externally restricted) Sewer Fund (externally restricted)						
<b>Budget Ref: (PN)</b>	<b>Description</b>	<b>Approved Budget (Revised)</b>	<b>Actual</b>	<b>Committed</b>	<b>Proposed</b>	<b>Total Forecast (Income)/ Expenditure</b>	<b>Remaining Budget</b>
210815.1.1760. 165.1670 260005.3.2590. 165.1660 280010.2.3310. 165.1650	Interest Income on Investments	(\$2,908,115) (\$1,431,000) original budget	(\$2,502,747)	Nil	Nil	(\$2,502,747)	(\$405,368)
210815.1.1760. 333.2430	Subscriptions	\$10,700	\$9,100	\$1,000	Nil	\$10,100	\$600

#### Comparison of Actual Interest Income Earned with Year To Date (YTD) Budget

<b>Interest Income</b>	<b>YTD Actual</b> \$	<b>YTD Budget (Original "O" &amp; Revised "R")</b> \$	<b>Difference</b> \$
YTD April 2023	\$2,502,747	\$1,192,500 (O) \$2,423,429 (R)	\$1,310,247 (O) \$79,318 (R)
YTD March 2023	\$2,108,840	\$1,073,250 (O)	\$1,035,590 (O)

		\$2,181,085 (R)	(\$72,245) (R)
Movement	\$393,907	\$119,250 (O)	\$274,657 (O)
		\$242,344 (R)	\$7,076 (R)

There is a YTD favourable budget variance of \$1,310,247 (original budget), YTD favourable budget variance of \$79,318 (revised budget) to 30 April 2023 (including accrued interest). Term deposit rates steadied during April 2023 with the market expectation of future RBA rate rises softening. Council continues to closely monitor investment markets and returns. The FY2022-23 budget which was adopted by Council on 29 June 2022, was based upon a forecast average investment return of 1.5% for investment income. With the increase in term deposit rates during the FY2022-23 year to date, the rate of return is above the 1.5% forecast average so a budget adjustment was adopted by Council as part of the Quarter 1 Budget Review, as presented to Council in November 2022.

#### Restricted & Unrestricted Funds

As at 30 June 2022, total restricted and unrestricted funds were fully funded by cash and investments. A reconciliation of unrestricted funds year to date is currently being undertaken.

#### **Actual Position at 30 June 2022 (audited)**

\$'000	General	Water	Sewer	Total
External Restrictions	26,935	29,010	23,150	79,095
Internal Restrictions	21,394			21,394
<b>Total Restrictions</b>	<b>48,329</b>	<b>29,010</b>	<b>23,150</b>	<b>100,489</b>
Unrestricted	5,781			5,781
<b>Total Funds</b>	<b>54,110</b>	<b>29,010</b>	<b>23,150</b>	<b>106,270</b>

#### **6. Consultation and Communication**

An Investment Report is required to be tabled at the monthly Ordinary Meeting of Council.

#### **7. Conclusion**

The Cash and Investment Report provides an overview of cash and investments as at and for the month ended 30 April 2023 and demonstrates compliance with Council policy.

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<b>Item:</b>	<b>10.1</b>	<b>Ref: AINT/2023/14418</b>
<b>Title:</b>	<b>Business Ethics Policy</b>	<b>Container: ARC21/4473</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Corporate and Community</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Statement of Business Ethics Policy	

### **1. Purpose**

This policy outlines the ethical standards required of both Armidale Regional Council delegates and its private industry business partners when engaged by Council. Adherence to these standards by both parties will enable the development of a mutually beneficial business relationship.

#### **OFFICERS' RECOMMENDATION:**

##### **That Council:**

- a. That council endorse the Statement of Business Ethics Policy (attached) to be placed on public exhibition for a period of 28 days commencing Monday 31 July 2023 and concluding 28 August 2023.
- b. Receive a further report should any submissions be received as a result of the exhibition period, however should no submissions be received the policy be adopted.
- c. Table the report at the next meeting of the Audit, Risk and Improvement Committee for information.

### **2. Background**

Council is undertaking a review of Council policies for the current term. This involves reviewing and amending existing policies, identifying policy gaps and developing new policy where necessary.

### **3. Discussion**

Council is committed to ensuring its business relationships are ethical, honest, fair and consistent. Our business dealings will be transparent and open to public scrutiny wherever possible.

Council's business principles are as follows:

- All procurement is conducted on the basis of value for money and aligned to other relevant Council policies
- All business relationships with external parties will be transparent
- Procurement and appointment decisions will be based on merit and will be impartial and will not take extraneous issues into account

The attached policy provides further detail to how these principles will be applied across Council. The only changes made to the policy document are corrective administrative updates. No changes have modified the intent, scope or principles of the policy.

#### **4. Implications**

Contractors are also expected to make any sub-contractors they employ, aware of this Policy and the consequences of breaching it.

##### **4.1. Policy**

This policy contributes to embedding good governance across Council.

##### **4.2. Risk**

The Statement of Business Ethics Policy will contribute to the reduction of risk and will form part of Council's efforts to reduce and manage risks associated with transparency in decision making, procurement and contractor management.

##### **4.3. Sustainability**

No identified sustainability implications are associated with this policy.

##### **4.4. Financial**

No identified financial implications are associated with the adoption of this policy.

#### **5. Consultation and Communication**

This Business Ethics Policy will be placed on public exhibition for a period of 28 days concluding Monday 28 August 2023.

#### **6. Conclusion**

The intent of the Statement of Business Ethics Policy is to enhance Council's level of openness and transparency and to guide the business community on expectations when dealing with Council.

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<b>Item:</b>	<b>10.2</b>	<b>Ref: AINT/2023/14423</b>
<b>Title:</b>	<b>Legislation Compliance Policy</b>	<b>Container: ARC21/4472</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Corporate and Community</b>	
<b>Author:</b>	<b>Stacey Drew, Executive Policy Advisor</b>	
<b>Attachments:</b>	1. Legislation Compliance Policy	

### **1. Purpose**

The purpose of this Policy is to outline Council's commitment to promote a culture of compliance with applicable laws and foster continuous improvement in the compliance process. The Policy aims to support and strengthen the framework for the monitoring and management of legislative compliance within the organisation.

### **2. OFFICERS' RECOMMENDATION:**

That Council:

- a. Endorse the Legislative Compliance Policy (attached) to be placed on public exhibition for a period of 28 days commencing Monday 31 July 2023 and concluding 28 August 2023.
- b. Receive a further report should any submissions be received as a result of the exhibition period, however should no submissions be received the policy be adopted.
- c. Subject to adoption, refer the Policy to the Audit, Risk and Improvement Committee for information.

### **3. Background**

Council, in its role as a Local Government authority is committed to compliance with all statutory and common law requirements relating to operations and governance of Council.

### **4. Discussion**

Good governance is an integral part of Council's ability to manage its risks. Effective legislative compliance management supports Council to maintain integrity, mitigate reputational risk and meet legislative obligations to demonstrate Council's corporate and social responsibilities.

The existing policy is being reviewed as part of Councils regular policy review cycle. The only changes to the policy are administrative updates. There are no substantial changes proposed.

### **5. Implications**

Adoption of this policy will support adherence to legislative requirements for Council in a structured and timely manner.

#### **5.1. Policy**

This Policy links to a number of related Council policies including the Complaints Policy, Code of Conduct, and Privacy Management Plan.

#### **5.2. Risk**

Development and adherence to the intent of this Policy will assist in the mitigation of a number of Council risks including reputational and legislative risks.

**5.3. Sustainability**

No identified sustainability implications are evident with the adoption of this Policy.

**5.4. Financial**

No identified financial implications have been identified with the adoption of this Policy.

**6. Consultation and Communication**

The Legislation Compliance Policy will act to support a good governance and compliance culture across Council for Councillors and Council employees. This policy will be placed on public exhibition for a period of 28 days concluding on 28 August 2023.

**7. Conclusion**

Council is committed to promoting a culture of legislative compliance and, as a result, enhance the level of probity and accountability in all its operations.



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<b>Item:</b>	<b>11.1</b>	<b>Ref: AINT/2023/13619</b>
<b>Title:</b>	<b>Kempsey Road Status Report</b>	<b>Container: ARC20/4322</b>
<b>Responsible Officer</b>	<b>Chief Officer Assets and Services</b>	
<b>Author:</b>	<b>Glenn Spires, Manager Design &amp; Deliver</b>	
<b>Attachments:</b>	<b>Nil</b>	

### 1. Purpose

The purpose of this report is to provide a monthly update on the Kempsey –Armidale Road Restoration Project (KARRP).

### 2. OFFICERS' RECOMMENDATION:

That Council note information within the report regarding the Kempsey –Armidale Road Restoration Project following the Steering Committee held Thursday 13 July 2023.

### 3. Background

Armidale Regional Council (ARC) has received grant funding (\$222,494,431) through the NSW Natural Disaster Fund for Essential Public Asset Restoration Works (EPARW) 2020/21. This funding is administered through NSW Office of Transport NSW for the provision of public asset restoration back to pre-disaster condition following a series of natural disaster events which severely damaged a large section of Kempsey-Armidale Road.

An application for additional funding has been submitted for the February/March 2022 Severe Weather Event to increase the approved funding amount. This would enable the Kempsey-Armidale Road Natural Disaster Recovery Works Project to be fully funded.

This project is being delivered as a multi-stage process to undertake the design and construction of natural disaster recovery repair works on a 43km section of the Kempsey-Armidale Road, 5.1 km on Lower Creek Road and three Improvement Works Projects which are located at Blackbird Flat, Flying Fox Gully and on Big Hill.

The project scope of works has been classified into four Milestones:

1. **Natural Disaster Recovery Works (Milestone 1)** (ch72.95km - ch116.00km) comprising restoration of a 43km section of the Kempsey-Armidale Road and a 5.1km long section of Lower Creek Road, Lower Creek, to their pre-disaster conditions;
2. **"Improvement Works" Projects** comprising of the following three projects:
  - a. **Blackbird Flat (Milestone 2)** - Fixing Local Roads, Round 3 Location 1 Blackbird Flat Cutting (ch73.50km-ch74.05km) and includes sealing this section of pavement;
  - b. **Flying Fox (Milestone 3)** - Fixing Local Roads, Round 2 Location 3 Flying Fox Cutting (ch86.30km-ch88.15km) and includes sealing this section of pavement; and
  - c. **Big Hill (Milestone 4)** - Restart NSW, three curves on Big Hill, sites 3 and 4 ch112.888km - 113.193km, and site 12 ch108.563km – ch108.723km) – with these three curves being constructed as unsealed pavements

To enable completion of the milestones, there is a 4-stage contract process that comprises of:

**Stage 1 – Tender for Civil Contractor Engagement and Award of Early Contractor Involvement (ECI) Contract - COMPLETED**

Prequalification of Contractors to be eligible to tender for the works and award of Early Contractor Involvement (ECI) Contract. Awarded at November 2022 Ordinary Council Meeting.

### **Stage 2 – ECI - IN PROGRESS**

The ECI Contract was awarded to Seymour Whyte Constructions (SWC) for design and early construction works to a combined value of approximately \$18,279,767 (Excl. GST).

At the completion of the ECI phase the Contractor will have completed the 30% detailed design of these four projects and provided to enable the Kempsey-Armidale Road Natural Disaster Recovery Collaborative Design & Construct (D&C) Contract to commence based on having provided:

- A finalised project scope of works and project specifications for inclusion within the Collaborative Design & Construct Contract for Council consideration and approval;
- A finalised and confirmed project delivery timeline; and
- Confirmation that the overall maximum Target Budget Price for each of these projects remained within the approved project funding budget limits.

### **Stage 3 – Early Works Contract - NOT STARTED**

As part of the ECI contract awarded by Council, delegation was provided to the General Manager to enter into an early works contract with SWC. This contract involves the provision of services and or completion of construction activities that enable the project to be delivered on an escalated timeframe and may involve activities such as completion of planning approvals, construction of side tracks and passing bays, further detail design and or procurement of materials.

No contract has been entered into at this time, however discussions are ongoing with SWC regarding appropriate contract form and suitable activities.

### **Stage 4 – Main Recovery works - Dependent on Stage 2 completion - NOT STARTED**

Following the completion of Stage 2, Council may enter into a contract with SWC for the Main Recovery works. A further Council report will be required to award this contract and provide the General Manager delegation to enter into negotiations for the contract.

*Note: Part of the ECI phase includes the development of a suitable contract for these works.*

Delivery of Design & Construction phase (Construction Phase), completing:

Milestone 1 - The Natural Disaster Recovery Works Project which will allow the Kempsey-Armidale Road and Lower Creek Road to be reconstructed back to their pre-disaster condition using current engineering standards and in accordance with the NSW and DRFA Natural Disaster Funding Guidelines.

Milestone 2, 3 & 4 - The "Improvement Works" Projects will follow the completion of Milestone 1 project, enhancing the existing road infrastructure at each of these three sites.

The Kempsey-Armidale Road Recovery Project Steering Committee (KRSC) was established to provide effective governance over KARRP and provide an avenue for stakeholder engagement and oversight. The focus of the KRSC is on providing direction, leadership and advice for the Kempsey-Armidale Road project. This includes technical, policy and procedural advice to assist the project team in moving the project forward to ensure the achievement of sound outcome.

The Kempsey Road Steering committee comprises of the following members:

<b>Name</b>	<b>Title and Function</b>
James Roncon	General Manager Armidale Regional Council <b>(Chair) (V)</b>
Alex Manners	Chief Officer Assets & Services Armidale Regional Council <b>(V)</b>
Ann Newsome	Chief Financial Officer Armidale Regional Council <b>(V)</b>
Cr Sam Coupland	Mayor <b>(V)</b>
Tony Gant	TfNSW Support <b>(V)</b>
Peter Steele	TfNSW Assessor <b>(V)</b>
<b>Officers in attendance to include, but not be limited to:</b>	
Glenn Spires	Manager Design and Delivery Armidale Regional Council
Sean Sample	Project Director Client-Side Armidale Regional Council
Tracy Cooper	Project Officer <b>(Secretary)</b>
Monica Kelly	Prevention Partners <b>(Probity Advisor)</b>
Mitchell Parker	NSW Reconstruction Authority
Christina Jeffries	National Emergency Management Agency (NEMA)
Principle Contractor (Seymour Whyte Constructions) Representatives - as requested	

**(V) = Voting Member**

The information contained within the report is general in nature and provided as a stakeholder update only for Council.

The information in the report is measured to ensure contract and commercial in confidence information is protected.

#### **4. Discussion**

At the KRSC meeting held Thursday 13 July 2023, the client-side Project Director - Sean Sample provided the following update:

ECI activities continue with Final Proposal to be issued by SWC late August / September 2023. To support this, a range of interactive workshop sessions commenced with SWC to support effective completion of the ECI works. Further to this, additional ECI (advance offsite) activities being identified and a likely variation for the cost of the ECI will be proposed to Council in September.

The majority of the works are being proposed as day works which produces unique risks, appropriate contingency for these works is being identified. KARRP and SWC geotechnical and WHS representatives attended the site to assess upslope rock fall risks and methods and to refine areas of scaling.

Council has provided initial feedback on the draft funding Deed to TfNSW and a new KARRP project budget estimate has been commissioned.

#### **5. Implications**

## **5.1. Strategic and Policy Implications**

The activities discussed in the report align with Advancing Our Region - Your Community Plan 2022-2032 and with Council Delivery Program 2022-2026 as part of:

### **5.1.1 Connected Region – Goal 1 - Quality infrastructure makes it safe and easy to travel around our region**

C1.1.4 Partner with the NSW Government to restore and reclassify Armidale-Kempsey Road.

## **5.2. Risk**

Risks relating to KARRP can broadly be categorised into six areas being; Safety, Quality, Environment, Financial, Reputational, and Resourcing (People, skills, systems and tools).

The project is complex by many standards and adding to this the project is a pioneer project in NSW being the first of a range of large-scale restoration projects across the state. At over \$400M, it is the largest transport project ever undertaken by a Local Government let alone Armidale Regional Council. As such the risks are often unique and to address them is requiring Council to grow and evolve at an incredible pace.

### **Safety**

The project is subject to the *Work Health and Safety Act (2011)* and *Work Health and Safety Regulations (2017)*. The risk to Council is complex and requires appropriately qualified and experienced experts advising and managing the project. Council has dedicated resources working in WH&S on the project.

The contract will be managed under a “Principle Contractor” arrangement, where the contractor is deemed to have the necessary specialty skills and knowledge to manage the safety for the activities being undertaken. This does not absolve Council from risk, but delineates where appropriate knowledge for activity risk mitigation lies.

### **Quality**

Quality management for the project is managed through a range of engineering industry standards and guidelines. Due to the unique constraints of the site, a bespoke suite of standards for which activities will be completed to is required. The environment, geography, and

The risk of quality for the project is high due to the complex and unique nature of the project. Council and the contractor will work together to ensure the appropriate quality assurance is undertaken to ensure the works completed are to the set standards. It is incredibly important to collect enough evidence is collected to support assessment against the eligibility criteria under the DRFA. Failing to satisfy the evidence requirements may leave Council at risk to cover the costs of ineligible work.

### **Environmental**

The project is subject to the Protection of the Environment Operations (POEO Act) (1997) Act and Protection of the Environment Operations (General) Regulation (2022). The Act and regulations require Council and the contractor to consider the harm that may come to the environment as part of the works.

Whilst environmental risk is a relatively familiar risk to the civil construction industry, a tailored approach to the project is required.

A Review of Environmental Factors (REF) has been undertaken as part of the project, has been audited by third party and new being revised. The REF nominates the known environmental risks

with the project and outlines the obligations Council and the contractor have to administer and mitigate those risks.

The contract will be managed under a “Principle Contractor” arrangement, where the contractor is deemed to have the necessary specialty skills and knowledge to manage environmental risks for the activities being undertaken. This does not absolve Council from risk, but delineates where appropriate knowledge for activity risk mitigation lies.

### **Financial Risk**

All the funding for the project is being provided from NEMA through NSWRA and TfNSW which adds to the complexity of funding agreements, risk allocation and administration challenges. Until the funding deed with TfNSW is finalised, the mechanisms for financial risk management are unknown.

One of the greatest risks to the project is for works completed to be deemed not eligible under the DRFA guidelines. Council has prepared no budget to cover these items but is exploring ways to mitigate this risk.

The value for the works is significant in proportion to Council’s Annual Capital Works Budget which is typically around \$30M annually. Even relatively small errors with the project could have significant impact on Council for example a 1% error in relation to the project could result in a \$4M cost to Council. Proportionately, a 10% mistake, however unlikely, could result in a cost of \$40M.

With over \$400M being delivered over four years, the volume of cash flow has the ability to distort and or hide important financial ratios that indicate Council’s operational financial performance. Appropriate segregation of funding management and reporting is required to ensure the cash flow does not mask underlying issues.

### **Reputational**

The project has a range of disparate stakeholders including the Lower Creek Community, SWC, TfNSW, NEMA, NSWRA, Oven Mountain Pumped Hydro Scheme and the various support agencies connected to the community including emergency services. The scale and duration of the project impacts the depth to which each stakeholder is affected.

The greatest challenge with reputational risk is that whilst the touch points are centred on the project, Council’s reputation extends with most of those involved beyond the project. For instance, Council is dealing with TfNSW on the project, but also deals with TfNSW as part of the Road Maintenance Council Contract (RMCC) which is work Council completes on other roads within the LGA.

### **Resourcing (People, skills, systems and tools)**

Council does not have the internal resources to manage the project effectively and typical to projects of this size, attracting typical skill sets and resources to the project has been by way of tender. Retaining those engaged on the project for the life of the project will become challenging due to fatigue with the project and as the project nears its close and other projects become available and stable alternatives.

Where skills, tools and systems do not yet exist within Council, they are being developed and or acquired. As the project matures, the development should slow but that is not expected until sometime after the main recovery works are underway.

## **5.3. Sustainability**

The majority of works are restoration works and under the Disaster Recovery Funding Arrangements (DRFA) this means that no betterment can be undertaken. The caveat to that however is that works are to be conducted to current engineering standards which allows Council to build more resilient infrastructure in place.

This means that to rebuild the road, engineering technologies including soil nails and shotcrete will be used for works and where they are being replaced, pipes of the appropriate size will be installed. What the DRFA guidelines will not allow is upgrades such as the widening and sealing of the road, installation of extra signage and barriers.

Council will work closely with the contractor's suppliers to ensure more efficient service delivery through new and improved technologies to provide best cost benefit to Council and the community in the long term.

#### 5.4. Financial

The funding for the project comes from the National Emergency Management Agency (NEMA) through the NSW Reconstruction Authority (NRA) who deliver the funding to Council via an administering agent – Transport for NSW (TfNSW). Each party add in eligibility criteria and administration controls. The following table shows the key contracts to date.

OVERALL BUDGET SUMMARY (EXCL. GST)				
	Budget \$	Contracts / Commitments \$	Actuals (to month end) \$	Comments
<b>Approved Budget / Commitments</b>				
KAR AGRN898 Re-construction of Six Drainage Structures (EPARW2)	\$6,412,752.24 inc Corn Patch \$5,545,650.00 6 Curves only	\$158,071.29	\$4,669,781.71	Current Works Completed
KAR AGRN898 Interim Fund (EPARW4)	\$568,457.89	\$0.00	\$568,457.89	Closed
KAR AGRN1012 Interim Fund (EPARW4)	\$1,204,742.11	\$24,812.30	\$983,973.90	Open
KAR AGRN1012 Emergency Works Only	\$14,500,000.00	\$0.00	\$10,518,551.89	Closed
KAR AGRN1012 Main Recovery Works (EPARW3) ECI/Early Works-1	\$408,000,000.00	\$4,209,922.42	\$4,410,043.82	Open
KAR FLR (R2) – Flying Fox Cutting (Improvement Works)	\$4,984,930.00	-	\$162,056.51	Open
KAR FLR (R3) – Blackbird Flat (Improvement Works)	\$2,996,000.00	-	\$121,150.28	Open
KAR FCR –Big Hill Projects (Improvement Works)	\$4,671,083.00	-	\$339,856.67	Open
<b>Total Funding</b>	<b>\$442,470,863.00</b>	<b>\$4,392,806.01</b>	<b>\$21,774,125.30</b>	

**Expenditure to Date**

The total expenditure to date is \$29,039,757.40

**Overall Forecast**

TBA following submission and acceptance of ECI submission by Seymour Whyte Constructions Pty Ltd.

**Forecast to Complete**

TBA following submission and acceptance of ECI submission by Seymour Whyte Constructions Pty Ltd.

**6. Consultation and Communication**

Communication between KARRP and Australia Post was conducted during the month advising the road is unobstructed and post-delivery, as an essential service, may be able to be supported. Australia Post advised formally that they could not accept the risk for their contractor.

Communication was made to The Hon Barnaby Joyce MP, who wrote to Council on behalf of a resident querying the ability to upgrade the road as part of the funded restoration works. The information was also provided to the broader community as part of the weekly update.

KARRP continue to provide weekly updates and respond to correspondence directly to the community.

**7. Conclusion**

It is recommended that Council note information within report regarding the Kempsey – Armidale Road Restoration Project following the Steering Committee held Thursday 13 July 2023.

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<b>Item:</b>	<b>13.1</b>	<b>Ref: AINT/2023/13964</b>
<b>Title:</b>	<b>Audit, Risk and Improvement Committee - Minutes of the meeting held 15 June 2023</b>	<b>Container: ARC23/5778</b>
<b>Responsible Officer</b>	<b>Acting Chief Officer Corporate and Community</b>	
<b>Author:</b>	<b>Simone Mooketsi, Manager Governance and Strategy</b>	
<b>Attachments:</b>	1. Minutes 15 June 2023 Audit Risk and Improvement Committee meeting	

### **1. Purpose**

The purpose of this report is to provide Council with Minutes of the Audit Risk and Improvement Committee (ARIC) meeting held on 15 June 2023.

### **2. OFFICERS' RECOMMENDATION:**

That Council note the Minutes of the ARIC meeting held on 15 June 2023.

### **3. Background**

The Audit Risk and Improvement Committee (ARIC) provides independent assurance and assistance to the Council on risk management, internal control, governance, internal audits, organisational performance and external accountability responsibilities.

Specifically, the Committee will assist the Council to:

- Promote a culture of corporate governance and compliance with Council's statutory, regulatory and policy framework;
- Examine the effectiveness of Council's internal control framework to include business processes and systems;
- Review the effectiveness of the Council's enterprise risk management processes;
- Examine the effectiveness of audit processes;
- Review external financial statements reporting processes; and
- Provide information to the Council for the purpose of improving the performance of Council's functions.

The ARIC is advisory in its function and has no authority to direct the General Manager or Council Officers. The Committee has no executive powers, except those expressly provided by the Council.

The ARIC will meet at least quarterly.

#### **COMPOSITION AND TENURE**

The ARIC is to be appointed by the governing body of the Council.

#### **Members (Voting)**

The ARIC consists of three (3) independent external members. Councillors are ineligible to be voting-members of the Committee, however Councillors may attend meetings by invitation from the Chair.



#### **Attendees (non-voting)**

- The General Manager, or delegate
- Executive Leadership Team (ELT)
- Internal Auditor/ Chief Audit Executive (Note - delegated to the Manager Governance & Strategy).

Attendees will attend all ARIC meetings (except where excluded by the Committee) however are not members of the Committee and do not have voting rights.

Council's external auditor may attend any meeting as an independent advisor, and may meet with the Committee without the presence of the General Manager.

The authority, responsibilities and the role of the Committee within the Council are stated by the Audit, Risk & Improvement Committee Charter.

#### **4. Discussion**

The meeting of 15 June 2023 was preceded by a meeting between the Chair of ARIC, Mr Phil Thomas, and Councillors to present the ARIC Annual Report.

Minutes of the ARIC meeting held on 15 June 2023 are attached for information and noting.

A summary of key meeting outcomes is:

- It was recommended by ARIC that the planned cyber security audit be brought forward to 2023.
- It was confirmed that Council will not be seeking certification to the National Heavy Accreditation Scheme.
- The Committee noted the status of the outstanding audit recommendations. Since the 7 March 2023 ARIC meeting, 8 items were closed out since the previous ARIC meeting. 69 new items were added and 115 items remain in progress.
- Yas Wickramasekera and Delex Xavier of O'Connor Marsden presented the Records Management and Privacy Final Internal Audit Report. The review identified four key areas that require improvement/management attention. Three of these were rated high risk and one medium risk.  
Yas Wickramasekera and Delex Xavier of O'Connor Marsden presented a verbal status update on the Volunteer Management Audit for which a draft report has been prepared, and the Procurement Audit which commenced early June.
- The focus of the next ARIC meeting (August 2023) will be the financial statements, the Committee review, and to provide feedback on Council's Project Plan for preparation of the financial statements and external audit for the year ended 30 June 2023.
- The Committee noted the NSW Audit Office Annual Engagement Plan for 2023.
- The Committee noted the outcome of the Special Rate Variation (SRV) application and updates made to the Integrated Planning & Reporting suite of documents.

## **5. Implications**

### **5.1. Strategic and Policy Implications**

ARIC will advise whether the Council is achieving the objectives and goals set out in its Community Strategic Plan and whether it has successfully implemented its delivery program, operational plan and other strategies.

### **5.2. Risk**

Amongst others, ARIC will advise whether:

- The Council has provided sufficient resources for risk management and staff are able to carry out their risk management responsibilities;
- The Council's risk management framework complies with current Australian risk management standards;
- The Council's risk management framework operates effectively and supports the achievement of council's strategic goals and objectives; and
- Major risks have been identified and assessed by the Council and appropriate risk treatments have been implemented that reflect council's risk criteria.

### **5.3. Sustainability**

Nil

### **5.4. Financial**

Nil

## **6. Consultation and Communication**

Nil

## **7. Conclusion**

Minutes of the 15 June 2023 meeting of ARIC are provided for noting by Council.