



## **ORDINARY COUNCIL MEETING**

# **AGENDA**

**5 NOVEMBER 2024**

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that an **ORDINARY MEETING of ORANGE CITY COUNCIL** will be held in the **COUNCIL CHAMBER, CIVIC CENTRE, BYNG STREET, ORANGE** on **Tuesday, 5 November 2024** commencing at **6:30 PM**.

David Waddell

**CHIEF EXECUTIVE OFFICER**

For apologies please contact Executive Support on 6393 8391.

# AGENDA

## EVACUATION PROCEDURE

In the event of an emergency, the building may be evacuated. You will be required to vacate the building by the rear entrance and gather at the breezeway between the Library and Art Gallery buildings. This is Council's designated emergency muster point.

Under no circumstances is anyone permitted to re-enter the building until the all clear has been given and the area deemed safe by authorised personnel.

In the event of an evacuation, a member of Council staff will assist any member of the public with a disability to vacate the building.

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## **1 INTRODUCTION**

### **1.1 APOLOGIES AND LEAVE OF ABSENCE**

### **1.2 LIVESTREAMING AND RECORDING**

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This Council Meeting is being livestreamed and recorded. By speaking at the Council Meeting you agree to being livestreamed and recorded. Please ensure that if and when you speak at this Council Meeting that you ensure you are respectful to others and use appropriate language at all times. Orange City Council accepts no liability for any defamatory or offensive remarks or gestures made during the course of this Council Meeting. A recording will be made for administrative purposes and will be available to Councillors.

### **1.3 ACKNOWLEDGEMENT OF COUNTRY**

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I would like to acknowledge the Traditional Custodians of the land on which we meet today, the people of the Wiradjuri Nation. I pay my respects to Elders past and present, and extend those respects to Aboriginal Peoples of Orange and surrounds, and Aboriginal people here with us today.

### **1.4 OPENING PRAYER**

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**1.5 OATH OR AFFIRMATION OF OFFICE BY COUNCILLORS (MOVED FROM 5.1)**

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TRIM REFERENCE: 2024/1007

AUTHOR: David Waddell, Chief Executive Officer

**EXECUTIVE SUMMARY**

Under the Local Government Act 1993, Councillors (including Mayors) are required to take an oath or affirmation of office. Oaths or affirmations of office must be taken by each Councillor at or before the first meeting of the Council after being elected.

**LINK TO DELIVERY/OPERATIONAL PLAN**

The recommendation in this report relates to the Delivery/Operational Plan strategy “18.1. Provide representative, responsible and accountable community governance”.

**FINANCIAL IMPLICATIONS**

Nil.

**POLICY AND GOVERNANCE IMPLICATIONS**

The requirement to take an oath or affirmation of office is at Section 233A of the Local Government Act 1993. The oath or affirmation may be taken or made before the Chief Executive Officer of the Orange City Council, an Australian legal practitioner, or a Justice of the Peace.

**RECOMMENDATION**

**That each Councillor take the oath or affirmation of office and the record be included in the Council Meeting minutes.**

**FURTHER CONSIDERATIONS**

Consideration has been given to the recommendation’s impact on Council’s service delivery; image and reputation; political; environmental; health and safety; employees; stakeholders and project management; and no further implications or risks have been identified.

**SUPPORTING INFORMATION**

**Under Section 233A of the Local Government Act 1993 it is a requirement of Councillors (including the Mayor) to take an oath or affirmation, notice from the Office of Local Government sets out:**

- A Councillor must take an oath of office or make an affirmation of office at or before the first meeting of the Council after the Councillor is elected.
- A Councillor must be physically present before the Chief Executive Officer to take the oath or affirmation.
- An oath or affirmation should be taken by each Councillor as the first item of business for the meeting.

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**1.5 Oath or Affirmation of Office by Councillors (moved from 5.1)**

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- The Council's Chief Executive Officer must ensure that a record is kept of the taking of the oath or affirmation. This can be done by way of a signed statement containing the oath or affirmation or by recording the taking of the oath or affirmation by each Councillor in the minutes of the Council Meeting.
- If the councillor is unable to attend the first Council Meeting, he or she may take the oath or affirmation of office at another location in the presence of Council's Chief Executive Officer.
- The oath or affirmation of office may also be taken before an Australian legal practitioner or a Justice of the Peace.
- The taking of the oath or affirmation outside a Council meeting must be publicly recorded by the Council.
- Where an oath or affirmation is taken outside a Council meeting, a Council staff member should also be present to ensure that an accurate record can be kept by the Council.
- A Councillor who fails, without a reasonable excuse, to take the oath or affirmation of office, will not be entitled to attend Council meetings until they do so and will be taken to be absent without leave.
- If a Councillor is absent without leave for three consecutive Ordinary Council Meetings their office is automatically declared vacant and a by-election must be held.

A Councillor may select the oath or the affirmation. In law, an affirmation is a solemn declaration allowed to those who conscientiously object to taking an oath. An affirmation has exactly the same legal effect as an oath but is usually taken to avoid the religious implications of an oath; it is thus legally binding but not considered a religious oath. The oath is not required to be sworn on a bible.

The required wording for both the oath and the affirmation is provided below.

**Oath**

**I [name of Councillor] swear that I will undertake the duties of the office of Councillor in the best interests of the people of Orange and the Orange City Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgement.**

**Affirmation**

**I [name of Councillor] solemnly and sincerely declare and affirm that I will undertake the duties of the office of Councillor in the best interests of the people of Orange and the Orange City Council and that I will faithfully and impartially carry out the functions, powers, authorities and discretions vested in me under the Local Government Act 1993 or any other Act to the best of my ability and judgement.**

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**1.6 DECLARATION OF PECUNIARY INTERESTS, SIGNIFICANT NON-PECUNIARY INTERESTS  
AND LESS THAN SIGNIFICANT NON-PECUNIARY INTERESTS**

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The provisions of Chapter 14 of the Local Government Act, 1993 (the Act) regulate the way in which Councillors and designated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public role.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons given for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussion or voting on that matter, and requires that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code of Conduct also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

**RECOMMENDATION**

It is recommended that Councillors now disclose any conflicts of interest in matters under consideration by the Council at this meeting.

**COUNCIL MEETING ADJOURNS FOR THE CONDUCT OF THE OPEN FORUM****COUNCIL MEETING RESUMES****2 MAYORAL MINUTES**

Nil

**3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING****RECOMMENDATION**

That the Minutes of the Ordinary Meeting of Orange City Council held on 3 September 2024 (copies of which were circulated to all members) be and are hereby confirmed as a true and accurate records of the proceedings of the Council meeting held on 3 September 2024.

**ATTACHMENTS**

- 1 Minutes of the Ordinary Meeting of Orange City Council held on 3 September 2024

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# ORANGE CITY COUNCIL

MINUTES OF THE

## ORDINARY COUNCIL MEETING

HELD IN COUNCIL CHAMBER, CIVIC CENTRE, BYNG STREET, ORANGE

ON 3 SEPTEMBER 2024

COMMENCING AT 6:30 PM

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### 1 INTRODUCTION

#### ATTENDANCE

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Cr J Hamling (Mayor), Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power (Deputy Mayor), Cr J Whitton

Chief Executive Officer, Director Corporate and Commercial Services, Director Development Services, Director Community, Recreation and Cultural Services, Director Technical Services, Manager Corporate Governance, Executive Assistant - Community Recreation and Cultural Services, Manager Executive Support, Executive Support Officer

#### 1.1 APOLOGIES

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Nil.

#### 1.2 LIVESTREAMING AND RECORDING

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The Mayor advised that the meeting was being livestreamed and recorded.

#### 1.3 ACKNOWLEDGEMENT OF COUNTRY

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The Mayor conducted an Acknowledgement of Country.

#### 1.4 DECLARATION OF PECUNIARY INTERESTS, SIGNIFICANT NON-PECUNIARY INTERESTS AND LESS THAN SIGNIFICANT NON-PECUNIARY INTERESTS

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Cr Mileto declared a Significant Non-Pecuniary Interest in Item 5.2 – Naming – Female Change Rooms & Accessible Amenities – Sir Jack Brabham Park as he is the President of ODFA and the person outlined in the report is a candidate on his election ticket.



**RESOLVED - 24/407****Cr K Duffy/Cr T Greenhalgh**

That the following Late Items be permitted to be considered at the Council Meeting of 3 September 2024:

4.1 – Naming of Orange Sports Precinct Stadium

4.2 – Conference Report – National Local Government Housing Summit

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Nil

## 2 MAYORAL MINUTES

### 2.1 MAYORAL MINUTE - COUNTRY MAYORS ASSOCIATION GENERAL MEETING OF 9 AUGUST 2024

TRIM REFERENCE: 2024/1491

**RESOLVED - 24/408****Cr G Floyd/Cr K Duffy**

That the information contained in this Mayoral Minute be acknowledged.

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Nil

## 3 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

**RESOLVED - 24/409****Cr J Whitton/Cr D Mallard**

That the Minutes of the Ordinary Meeting of Orange City Council held on 20 August 2024 (copies of which were circulated to all members) be and are hereby confirmed as a true and accurate record of the proceedings of the Council meeting held on 20 August 2024.

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Nil

## 4 NOTICES OF MOTION/NOTICES OF RESCISSION

### 4.1 NOTICE OF MOTION - NAMING OF ORANGE SPORTS PRECINCT STADIUM

TRIM REFERENCE: 2024/1537

#### MOTION

Cr J Hamling/Cr G Floyd

That when constructed the Orange Sports Precinct Main Stadium be named the John Davis Stadium.

#### AMENDMENT

Cr T Mileto

That Council defer consideration of the Sports Precinct Stadium naming to the new Council.

#### THE AMENDMENT LAPSED WITH NO SECONDER

#### THE MOTION ON BEING PUT WAS CARRIED

#### RESOLVED - 24/411

Cr J Hamling/Cr G Floyd

That when constructed the Orange Sports Precinct Main Stadium be named the John Davis Stadium.

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Nil

### 4.2 NOTICE OF MOTION - CONFERENCE REPORT - NATIONAL LOCAL GOVERNMENT HOUSING SUMMIT

TRIM REFERENCE: 2024/1538

#### RESOLVED - 24/412

Cr D Mallard/Cr J Hamling

That the report by Cr David Mallard and Cr Jason Hamling on the National Local Government Housing Summit held in Adelaide on 16 August 2024 be noted.

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Nil

## 5 GENERAL REPORTS

### 5.1 RESPONSE TO QUESTIONS TAKEN ON NOTICE

TRIM REFERENCE: 2024/1529

#### **RESOLVED - 24/413**

**Cr F Kinghorne/Cr G Floyd**

That the Report on the Response to Questions Taken on Notice be noted.

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Nil

Cr Kinghorne asked if there will be an updated process to ensure publication of responses to Questions Taken on Notice moving forward, as identified in s9.17 of the Code of Meeting Practice.

*The Chief Executive Officer confirmed that this will be the case.*

*\*Cr Mileto left the meeting with the time being 6.47pm\**

### 5.2 NAMING - FEMALE CHANGE ROOMS & ACCESSIBLE AMENITIES - SIR JACK BRABHAM PARK

TRIM REFERENCE: 2024/1533

Cr Mileto declared a Significant Non-Pecuniary Interest in this item as he is the President of ODFA and the person outlined in the report is a candidate on his election ticket, left the meeting and did not participate in discussion or voting on this item.

#### **MOTION**

**Cr G Floyd/Cr S Peterson**

That Council resolve:

- 1 That Council name the new Change Rooms located at Jack Brabham Park the "Brett Hazzard Change Room"; and
- 2 That an opening ceremony be conducted following the declaration of successful Councillors from the 2024 Council election.

#### **AMENDMENT**

**Cr K Duffy/Cr J Whitton**

That Council defer consideration of the Female Change Room & Accessible Amenities – Sir Jack Brabham Park naming and obtain additional information.

For: Cr K Duffy, Cr F Kinghorne, Cr D Mallard, Cr M McDonell

Against: Cr J Hamling, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr S Peterson, Cr G Power, Cr J Whitton

Absent: Cr T Mileto

**THE AMENDMENT ON BEING PUT WAS LOST**

**THE MOTION ON BEING PUT WAS CARRIED**

**RESOLVED - 24/414****Cr G Floyd/Cr S Peterson**

That Council resolve:

- 1 That Council name the new Change Rooms located at Jack Brabham Park the “Brett Hazzard Change Room”; and
- 2 That an opening ceremony be conducted following the declaration of successful Councillors from the 2024 Council election.

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Cr T Mileto

*\*Cr Mileto returned to the meeting with the time being 6.55pm\****5.3 COUNCIL TERM DECEMBER 2021- SEPTEMBER 2024**

TRIM REFERENCE: 2024/1528

**RESOLVED - 24/415****Cr D Mallard/Cr G Power**

That the Report of the Chief Executive Officer be noted.

For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton

Against: Nil

Absent: Nil

*In response to the Chief Executive Officer's end of the Council term report and Cr Hamling (Mayor) and Cr Evans not standing for next term, all Councillors took the opportunity to convey their thanks and best wishes to both Councillors. Councillors also thanked each other and the Council staff for their support during the Council Term.***6 CLOSED MEETING**

Nil.

**THE MEETING CLOSED AT 7.21PM**

This is Page Number 5 and the Final Page of the Minutes of the Ordinary Meeting of Orange City Council held on 3 September 2024.

**4 NOTICES OF MOTION/NOTICES OF RESCISSION**

Nil



## **5 GENERAL REPORTS**

### **5.1 OATH OR AFFIRMATION OF OFFICE BY COUNCILLORS (MOVED TO 1.5)**

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### **5.2 ELECTION OF DEPUTY MAYOR 2024**

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RECORD NUMBER: 2024/1008

AUTHOR: David Waddell, Chief Executive Officer

#### **EXECUTIVE SUMMARY**

The Local Government Act 1993 provides that Council *may* elect a Councillor to be the Deputy Mayor (section 231). Traditionally, Orange City Council has elected a Deputy Mayor every 1-2 years. This report is prepared on the basis that Council wishes to elect a Deputy Mayor for a 2 year period and provides a process for this election to take place.

A Nomination Form is attached to this report and is available in hard copy from the International Room (outside the Chamber) or from the Executive Support Office.

#### **LINK TO DELIVERY/OPERATIONAL PLAN**

The recommendation in this report relates to the Delivery/Operational Plan strategy “18.1. Provide representative, responsible and accountable community governance”.

#### **FINANCIAL IMPLICATIONS**

Nil.

#### **POLICY AND GOVERNANCE IMPLICATIONS**

Section 231 of the Local Government Act provides that the term of the Deputy Mayor can be for the Mayoral term or a shorter term. This report proposes that the role be for a two year term.

#### **RECOMMENDATION**

**That Council resolves:**

- 1 To elect a Deputy Mayor for the period November 2024 to September 2026 (then re-elect in September 2026 for the remainder of the Council term).**
- 2 That the method of voting for the election of Deputy Mayor be ordinary ballot.**
- 3 That the Chief Executive Officer, acting as the Returning Officer, conduct the election for the Deputy Mayor.**

#### **FURTHER CONSIDERATIONS**

Consideration has been given to the recommendation’s impact on Council’s service delivery; image and reputation; political; environmental; health and safety; employees; stakeholders and project management; and no further implications or risks have been identified.

**SUPPORTING INFORMATION**

Traditionally Orange City Council has elected our Deputy Mayor every 1-2years this report recommends election of a Deputy Mayor for the period being November 2024 to September 2026, then re-elect in September 2026 for the remainder of the Council term.

The procedure to be followed for the conduct of the Elections is to be in accordance with Schedule 7 of the Local Government (General) Regulation 2021 which states (in part):

- 1 The Chief Executive Officer is the Returning Officer.
- 2
  - a) A Councillor may be nominated without notice for election as Deputy Mayor
  - b) The nomination is to be made in writing by two or more Councillors (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing
  - c) The nomination is to be delivered or sent to the Returning Officer
  - d) The Returning Officer is to announce the names of the nominees at the Council Meeting at which the election is to be held.

Nominations can be lodged in a locked ballot box, which is located in the Chief Executive Officer's office and will be in the Council Chamber prior to the Meeting. A nomination form has been provided with this report and will be available in the Chamber at the start of the meeting.

At the start of the meeting, the Returning Officer will unlock the box and announce the nominated Councillors for the position of Deputy Mayor.

Nominated Councillors will be given the opportunity to decline nomination for position of Deputy Mayor at this time.

A Nomination Form is attached to this report and is available in hard copy from the International Room (outside the Chamber) or from the Executive Support Office.

The Election count and procedures for nominations, as set out in the Local Government (General) Regulation 2021 Schedule 7, are detailed below:

**Election**

- 3
  - (1) If only one Councillor is nominated, that Councillor is elected.
  - (2) If more than one Councillor is nominated, the Council is to resolve whether the election is to proceed by preferential ballot, by ordinary ballot or by open voting.
  - (3) The election is to be held at the Council Meeting at which the Council resolves on the method of voting.
  - (4) "ballot" has its normal meaning of secret ballot  
"open voting" means voting by a show of hands or similar means.



**Ordinary Ballot or Open Voting****Marking of Ballot Papers**

- 5 (1) If the election proceeds by ordinary ballot, the Returning Officer is to decide the manner in which votes are to be marked on the ballot-papers.
- (2) The formality of a ballot-paper under this Part must be determined in accordance with clause 345 (1) (b) and (c) and (6) of this Regulation as if it were a ballot-paper referred to in that clause.
- (3) An informal ballot-paper must be rejected at the count.

**Count - 2 Candidates**

- 6 (1) If there are only 2 candidates, the candidate with the higher number of votes is elected.
- (2) If there are only 2 candidates and they are tied, the one elected is to be chosen by lot.

**Count - 3 or more candidates**

- 7 (1) If there are 3 or more candidates, the one with the lowest number of votes is to be excluded.
- (2) If 3 or more candidates remain, a further vote is taken of those candidates and the one with the lowest number of votes from that further vote is to be excluded.
- (3) If, after that, 3 or more candidates still remain, the procedure set out in subclause (2) is to be repeated until only 2 candidates remain.
- (4) A further vote is to be taken of the 2 remaining candidates.
- (5) Clause 6 of this Schedule then applies to the determination of the election as if the 2 remaining candidates had been the only candidates.
- (6) If at any stage during a count under subclause (1) or (2), 2 or more candidates are tied on the lowest number of votes, the one excluded is to be chosen by lot.

It is recommended the ballot be undertaken by Ordinary Ballot. The process for a Preferential Ballot is outlined below.

**Preferential Ballot****Ballot-papers and Voting**

- 9 (1) The ballot-papers are to contain the names of all the candidates. The Councillors are to mark their votes by placing the numbers '1', '2' and so on against the various names so as to indicate the order of their preference for all the candidates.
- (2) The formality of a ballot-paper under this Part is to be determined in accordance with clause 345 (1) (b) and (c) and (5) of this Regulation as if it were a ballot-paper referred to in that clause.
- (3) An informal ballot-paper must be rejected at the count.

**Count**

- 10 (1) If a candidate has an absolute majority of first preference votes, that candidate is elected.
- (2) If not, the candidate with the lowest number of first preference votes is excluded and the votes on the unexhausted ballot-papers counted to him or her are transferred to the candidates with second preference on those ballot-papers.
- (3) A candidate who then has an absolute majority of votes is elected, but, if no candidate then has an absolute majority of votes, the process of excluding the candidate who has the lowest number of votes and counting each of his or her unexhausted ballot-papers to the candidates remaining in the election next in order of the voter's preference is repeated until one candidate has received an absolute majority of votes. The latter is elected.
- (4) In this clause, absolute majority, in relation to votes, means a number that is more than one-half of the number of unexhausted formal ballot-papers.

In the past, Council has nominated to conduct the election of Deputy Mayor by Ordinary Ballot and therefore that method of voting is recommended.

**Choosing by Lot**

- 12 To choose a candidate by lot, the names of candidates who have equal numbers of votes are written on similar slips of paper by the Returning Officer, the slips are folded by the Returning Officer so as to prevent the names being seen, the slips are mixed and one is drawn at random by the Returning Officer and the candidate whose name is on the drawn slip is chosen.

**Result**

- 13 The result of the election is:
- a) To be declared to the Councillors at the Council Meeting at which the election is held by the Returning Officer; and
- b) To be delivered or sent to the Chief Executive of the Office of Local Government and to the Secretary of Local Government New South Wales.

**ATTACHMENTS**

- 1 FORM - Deputy Mayor Nomination Form - October 2024, D24/115747 [↓](#)

# Deputy Mayor Nomination



## FORM

Please use this nomination form for the position of Deputy Mayor - Orange City Council.  
The process is outlined under Schedule 7 of the Local Government (General) Regulation 2021.

### NOMINATION

We, the undersigned, hereby nominate

For the position of DEPUTY MAYOR for the 2024 Council Term of Office as determined by Council at its meeting of 5 November 2024.

*\*\*A minimum of two nominators is required\*\**

Nominator

Name

Signature

Nominator

Name

Signature

Nominator

Name

DATE

Signature

Nominator

Name

Signature

DATE

### ACCEPTANCE

I,  CONSENT TO MY  
NOMINATION FOR THE POSITION OF **DEPUTY MAYOR** FOR THE 2024 TERM OF OFFICE.

SIGNED

DATE



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**5.3 COUNCILLOR VACANCY - COUNTBACK METHOD**

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RECORD NUMBER: 2024/1009

AUTHOR: David Waddell, Chief Executive Officer

**EXECUTIVE SUMMARY**

Councils have an option of using a countback of votes cast at the last ordinary election to fill casual vacancies occurring in the offices of Councillors in the first 18 months after the election. If Councils do not resolve to fill casual vacancies using a countback at their first meeting after the election, by-elections will need to be held to fill vacancies.

**LINK TO DELIVERY/OPERATIONAL PLAN**

The recommendation in this report relates to the Delivery/Operational Plan strategy “18.1. Provide representative, responsible and accountable community governance”.

**FINANCIAL IMPLICATIONS**

If Council chooses to use a countback to fill any vacancy that may occur, this will result in a lower cost than the cost of holding a by-election. A single by-election could cost in the order of \$250,000.

**POLICY AND GOVERNANCE IMPLICATIONS**

Council’s Chief Executive Officer is required under the Local Government (General) Regulation 2021 (the Regulation) to notify the election manager of the Council’s Ordinary Election, the NSW Electoral Commissioner, of the Council’s resolution within 7 days of the resolution.

**RECOMMENDATION**

**That pursuant to section 291A(1)(b) of the Local Government Act 1993, Orange City Council declares that casual vacancies occurring in the office of a Councillor within 18 months after the last ordinary election of Councillors for the Council on 14 September 2024 are to be filled by a countback of votes cast at that election for the office in accordance with section 291A of the Act and directs the Chief Executive Officer to notify the NSW Electoral Commission of the Council’s decision within 7 days of the decision.**

**FURTHER CONSIDERATIONS**

Consideration has been given to the recommendation’s impact on Council’s service delivery; image and reputation; political; environmental; health and safety; employees; stakeholders and project management; and no further implications or risks have been identified.

**SUPPORTING INFORMATION**

In 2016 the NSW Parliament passed amendments to the Local Government Act 1993 focusing on improving Council governance and strategic business planning. One of these amendments was the countback provision. The commencement of the countback provision in the Local Government (General) Regulation was deferred from the 2017 Local Government Elections and came into effect for the 2021 elections.

Council adopted the countback method following the 2021 Local Government Elections. This was not used during the last Term of Council.

Councils have the option of using a countback of votes cast at the last Ordinary Election to fill casual vacancies occurring in the Offices of Councillors in the first 18 months after the election.

This will allow Councils to use a countback to fill vacancies at a lower cost than the cost of holding a by-election.

A countback election has no impact on sitting Councillors.

Potential candidates are those unelected from the ordinary election. The returning officer contacts all unelected candidates who may still be eligible to be elected. Interested candidates must submit a formal application.

Any candidates that do not apply to participate in the countback election (non-participating) cannot be elected.

If there are no eligible candidates, an attendance by-election must be held. If there is only one eligible candidate, that candidate is elected. If there are multiple eligible candidates, a countback is conducted.

To exercise the option of using a countback to fill casual vacancies occurring in the first 18 months following the election, Councils must resolve, at their first meeting after the election, to use a countback to fill casual vacancies.

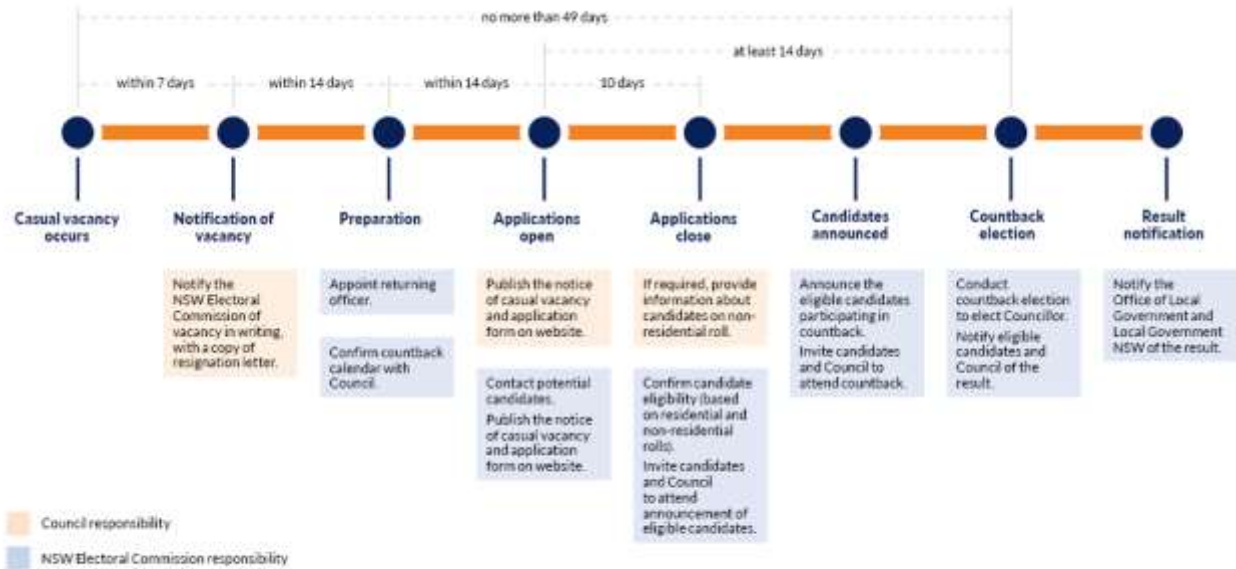
If Councils do not resolve this at the first meeting after the election, they will be required to fill casual vacancies through a by-election.

Countback elections can only be used for 18 months after the 2024 Local Government elections; that is, until 14 March 2026.

It is recommended that Council adopt the countback method for a casual vacancy that may occur in the first 18 months of this Council term.

The following summarises the steps involved in a countback election.

5.3 Councillor Vacancy - Countback Method



Further information on countbacks is available at <https://elections.nsw.gov.au/elections/how-counting-works/countback-elections>





**5.4 DAY, TIME AND FREQUENCY OF COUNCIL MEETINGS**

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TRIM REFERENCE: 2024/1010

AUTHOR: David Waddell, Chief Executive Officer

**EXECUTIVE SUMMARY**

This report seeks to confirm the day of the week, time and frequency of Council meetings.

In accordance with section 365 of the Local Government Act 1993, Councils are required to meet ten (10) times each year, each in a different month. Over previous years, Council has met at least 22 times per year, this is more than double that required.

Traditionally, Councils in NSW do not meet in January. Many Councils have also determined to have a mid-year break for the month of July.

This report provides information for the Council to consider when determining its meetings frequency, days and times and encourages Councillors to challenge the status quo.

**LINK TO DELIVERY/OPERATIONAL PLAN**

The recommendation in this report relates to the Delivery/Operational Plan strategy “18.1. Provide representative, responsible and accountable community governance”.

**FINANCIAL IMPLICATIONS**

The time of day that a Council meeting is held will have financial implications as far as staff time, catering and in some cases staff accommodation costs. Financial implications may also be involved in terms of carer costs associated with Councillors requiring a carer to look after children whilst at afterhours Council meetings in accordance with the Councillors Expenses policy.

**POLICY AND GOVERNANCE IMPLICATIONS**

Any change to meeting frequency set by the previous Council will require an amendment to the Code of Meeting Practice. Any change to this Code must be placed on public exhibition for 28 days prior to resolution by Council for any change to be put into place. Upon determination of the meeting schedule, an updated Code will be presented to Council for placement on public exhibition.

**RECOMMENDATION**

That Council resolves the following schedule for the 2024-2028 Council Term:

- 1 That Council hold 11 scheduled Ordinary Meetings of Council per year, which will include Policy Committees**
- 2 That the meetings be held on the first Tuesday of the month starting at 6.30pm**
- 3 That the Meeting planned for 19 November 2024 be changed to 20 November to allow for attendance at the LGNSW Annual Conference**
- 4 That the Meetings planned for 3 December & 17 December 2024 proceed to allow for any reports to be provided that were delayed from the election period of the new Council**
- 5 That no Meetings be planned for January each year**
- 6 That an Open Forum be held at each meeting**
- 7 That an updated Code of Meeting Practice be provided to Council before placement on Public Exhibition for 28 days.**

**FURTHER CONSIDERATIONS**

Consideration has been given to the recommendation's impact on Council's service delivery; image and reputation; political; environmental; health and safety; employees; stakeholders and project management; and no further implications or risks have been identified.

**SUPPORTING INFORMATION**

This report seeks Council's determination of the current schedule of meetings as listed in the Code of Meeting Practice and whether the current schedule is to continue under this new Council.

Council is required to have in place a Code of Meeting Practice. The Code includes the scheduling details of Council meetings. Determining the frequency of meetings for the new Council is the subject of this report.

The current Code of Meeting Practice identifies Ordinary Meetings of Council are to be held from 6.30pm on the first and third Tuesdays of each month. Policy Committees are also held on the first Tuesday of each month. Meetings are to conclude by 9.30pm. This will be changed if Council resolved to alter the meeting times.

The former Council established Policy Committees. All Councillors were members and these Committees were formed to receive reports on specific topic areas and to consider issues and minutes of Community and other committees who consider similarly themed matters. Reports to the Policy Committees were received at the meetings of the first Tuesday of each month.

A report on the previous Policy Committee structure and the community committees that report to each Policy Committee, will be prepared for Council's consideration following a Councillor Information Session to enable the Council to discuss the Policy and Community Committee framework.

There is no onus on Council to adopt what any previous Council structure provided. The vote of the majority of Councillors on any item carries the item to be resolved.

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#### 5.4 Day, Time and Frequency of Council Meetings

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Council can change the meeting frequency and times however any change will require a change to the Code of Meeting Practice. Changes to the Code require a public exhibition process and report back to Council of any comments received prior to the change to the Code being implemented (Local Government Act s 360, 362 and 363).

Council has many different options for times and days of the week to hold Council meetings, of course, dependent upon Councillor availability and willingness to try something different. The Mayor, Councillors and staff are all seeking to introduce a more family-friendly approach. Businesses in general are also leaning towards a more flexible approach to work hours where the ability to attend Council meetings during the day may be afforded and work times changed to cater for this. With the proposed change to one meeting per month, this becomes more achievable for many Councillors with day time employment/businesses. The ability to attend meetings via Audio-Visual Link also assists managing the work/life/Council balance. The ability for effective cognitive decision making during late evening meetings should also be considered.

In accordance with section 365 of the Local Government Act 1993, Councils are required to meet ten (10) times each year, each in a different month. Over previous terms, Council has met at least 22 times per year, this is more than double than required.

Council is able to call an extraordinary meeting whenever a need arises, such as the annual budget, or after the January break. This is not uncommon among Council's who hold one meeting per month. The Mayor has indicated that preference should be given to holding any extraordinary meetings on the third Tuesday of the month if the one meeting per month recommendation is resolved.

In the 2024 Calendar year so far, 20% of Council meetings were completed within 70 minutes.

Traditionally, Councils in NSW do not meet in January. Many Councils have also determined to have a mid-year break for the month of July.

When considering the option of one Council meeting per month, concerns relating to large business papers and therefore large meeting times can be offset in the following ways:

- The formalities of two meetings becoming only one. Following a review of meetings held in the past 12 months it is estimated that this takes approximately 18 minutes per meeting.
- The proposal also halves staff time from generating two business papers and minutes per month and a greater lead time available for the productions of reports and agendas, providing Councillors with more than the current 3 business days reading time.
- Decisions can also be made on whether Community Committee agendas are included in the Business Papers, or only the minutes to minimise the reading required for Councillors. This is a process that many other Councils currently do.
- Any Standard Report that has been put to the Council previously or is for noting only can also be reconsidered by Council staff with the intention to only put business before Council that is a requirement or items which have been noted as contentious matters.

Council currently conducts a public forum, where required, at the commencement of the Ordinary Meeting of Council. Topics discussed must be items in the business paper in order to satisfy the requirement for Council to give proper notice (Local Government Act clause

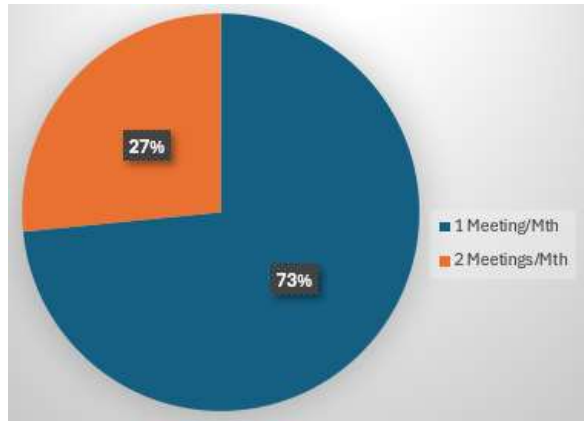
5.4 Day, Time and Frequency of Council Meetings

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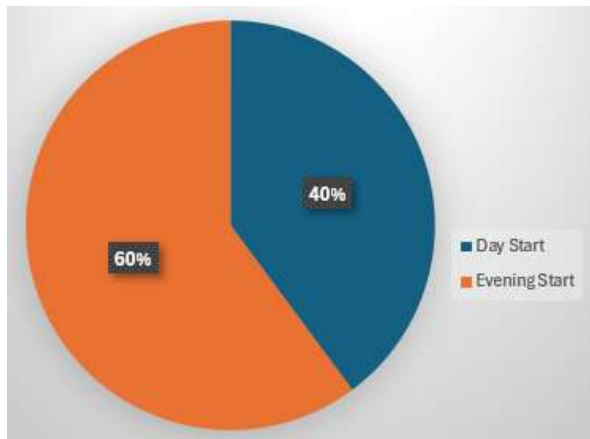
367, Code of Meeting Practice clause 2.5) of the topics being discussed at its meetings. Traditionally this has been undertaken at the start of each meeting depending on registered speakers and is recommended to continue as it has in previous terms.

**Statistics of the 128 Councils in NSW**

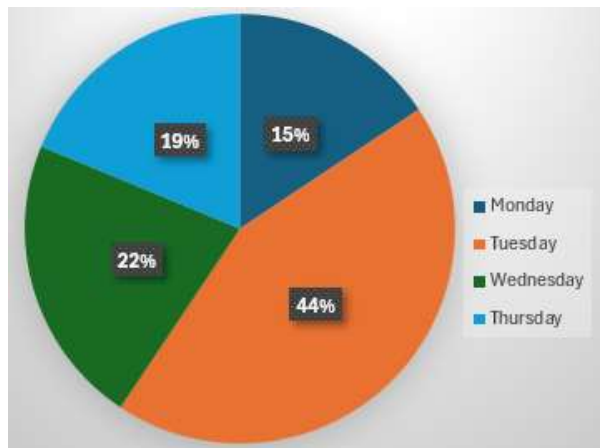
94 or approximately 73% of Council’s have one (1) Council Meeting per month. There are no Councils in NSW who hold meetings in January. There are a number of Councils who have determined a mid-year break in July.



51 or approximately 40% of Council’s start their meetings during the day – anywhere from 8.45am – 4pm. Other start times varied between 5, 5.30, 6, 6.30 or 7pm.



20 Council’s hold meetings on Mondays. 56 Council’s hold meetings on Tuesdays, 28 hold meetings on Wednesdays and 24 hold meetings on Thursdays.



**5.4 Day, Time and Frequency of Council Meetings**

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<b>Proposed Scheduled Dates 2024</b>	<b>Proposed Scheduled Dates 2027</b>
5 November 2024	2 February 2027
20 November 2024 (changed from 19 November to allow for LGNSW Annual Conference attendance)	2 March 2027
3 December 2024 (Policy)	6 April 2027
17 December 2024	4 May 2027
	1 June 2027
	15 June 2027 (tentative)
	6 July 2027
	3 August 2027
	7 September 2027
	5 October 2027
	2 November 2027
	7 December 2027
<b>Proposed Scheduled Dates 2025</b>	<b>Proposed Scheduled Dates 2028</b>
4 February 2025	1 February 2028
4 March 2025	7 March 2028
1 April 2025	4 April 2028
6 May 2025	2 May 2028
3 June 2025	6 June 2028
17 June 2025 (tentative)	20 June 2028 (tentative)
1 July 2025	4 July 2028
5 August 2025	1 August 2028
2 September 2025	LG Elections - 9 September 2028
7 October 2025	7 November 2028 (tentative)
4 November 2025	
2 December 2025	
<b>Proposed Scheduled Dates 2026</b>	
3 February 2026	
3 March 2026	
7 April 2026	
5 May 2026	
2 June 2026	
16 June 2026 (tentative)	
7 July 2026	
4 August 2026	
1 September 2026	
6 October 2026	
3 November 2026	
1 December 2026	



**5.5 MATTER APPROVED UNDER DELEGATION - NEW YEARS EVE 2024**

RECORD NUMBER: 2024/1650  
 AUTHOR: David Waddell, Chief Executive Officer

**EXECUTIVE SUMMARY**

At the Council Meeting of 6 August 2024, Council resolved:

**5.2 CARETAKER PERIOD & DELEGATIONS TO THE CHIEF EXECUTIVE OFFICER 4 SEPTEMBER 2024 - 4 NOVEMBER 2024**

TRIM REFERENCE: 2024/1249

**RESOLVED - 24/384**

*Cr G Power/Cr M McDonell*

*That Council resolves:*

- 1 To Note the information contained in this report.*
- 2 That Council resolves to delegate any permissible delegable function under the Local Government Act 1993 to the Chief Executive Officer (those delegations currently in place) for the period 4 September 2024 through to the first meeting of the new Council currently scheduled for 5 November 2024.*

*For: Cr J Hamling, Cr K Duffy, Cr J Evans, Cr G Floyd, Cr T Greenhalgh, Cr F Kinghorne, Cr D Mallard, Cr M McDonell, Cr T Mileto, Cr S Peterson, Cr G Power, Cr J Whitton*

*Against: Nil*

*Absent: Nil*

This report provides information to Council on those items approved under this delegation during the period 4 September 2024 to 25 October 2024.

**LINK TO DELIVERY/OPERATIONAL PLAN**

The recommendation in this report relates to the Delivery/Operational Plan strategy “18.1. Provide representative, responsible and accountable community governance”.

**FINANCIAL IMPLICATIONS**

Nil.

**POLICY AND GOVERNANCE IMPLICATIONS**

Nil.

**RECOMMENDATION**

**That the information contained in the Report on Matters Approved under Delegation be acknowledged.**

**FURTHER CONSIDERATIONS**

The recommendation of this report has been assessed against Council’s other key risk categories and the following comments are provided:

Service/Project Delivery	Council has an event team that have the appropriate skills and experience to produce a complex event at the new location.
Financial	Costs incurred to date are not specific to the Lake Canobolas location. Sponsorship opportunities have not yet been awarded. Delegated decision making was required in order to procure the

	fireworks in the required time period at the quoted costs. There is minimal financial impact relating to the change of location.	
Reputation/Political	Council has a minor appetite for significant impacts on Council's reputation. The decision to change the location was made predominately due to safety concerns and Council understands that both locations have impacts on surrounding residents.	
Environment	Fire and Rural Fire Service crews will continue to be engaged in the development of event plans to ensure fire control and management plans are in place.	
People & WHS	As part of the Bush Fire consultant's initial discussions regarding the Lake Canobolas location, the number of attendees that would be impacted in an emergency was significant. Mitigating the potential harm to attendees and staff is paramount to Council's concerns.	

## SUPPORTING INFORMATION

### New Years Eve Event

At the Council Meeting of 9 July 2024, Council resolved to hold its New Years Event at Lake Canobolas.

As part of the planning of the event, neighbours around Lake Canobolas were consulted about the event and there were several residents who raised their concerns about the event. Their concerns included traffic management and the fireworks impacting on their animals.

At the same time, a detailed bush fire risk assessment commenced. While the fireworks aspect of the event could have been managed, the number of people who would have been in attendance raised a concern. As the plan includes many attendees and buses as a major transport feature, a fast evacuation should a bush fire break out would be limited.

The practical mitigation of this would be to limit the number people attending. While this would also assist with managing traffic concerns, lowering the number of people attending would have significantly decreased the benefit to our community.

Due to planning requirements, specifically finalising the contract for the fireworks, a decision on the location needed to be finalised before the first Council meeting of this term.

The situation was discussed with the Councillors during the caretaker period and the Chief Executive Officer decided to relocate the event to the Waratahs Sports Precinct under his delegations in the caretaker period.



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**5.6 AUDIT, RISK AND IMPROVEMENT COMMITTEE (ARIC) - MEMBERSHIP AND TERMS OF REFERENCE**

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RECORD NUMBER: 2024/1089

AUTHOR: Janessa Constantine, Manager Corporate Governance

**EXECUTIVE SUMMARY**

With the dissolution of the previous Council and the Local Government Election on 14 September 2024, Council's Audit, Risk & Improvement Committee (ARIC) also dissolved.

The purpose of this report is to elect a Councillor or Councillors as members of the ARIC, provide the Council with information of suitable independent members for appointment to the ARIC until September 2028 to coincide with the Council Term, and resolve to place the Terms of Reference for the ARIC and Internal Audit on public exhibition.

The Councillor member or members are to be appointed by the governing body at the first meeting of the Council after the elections.

**LINK TO DELIVERY/OPERATIONAL PLAN**

The recommendation in this report relates to the Delivery/Operational Plan strategy "18.1. Provide representative, responsible and accountable community governance".

**FINANCIAL IMPLICATIONS**

The independent members are remunerated. Current fees and charges have been set by the Council at \$1,500 (+GST) for the Chair per meeting and \$1200 (+GST) for the other independent members per meeting.

The fees are in-line with other fees paid to ARIC members across the Local Government Sector.

Independent members are also entitled to claim per kilometre rate reimbursement for travel to and from meetings. As this is a Statutory Committee, funds have been allocated and budgeted on an ongoing basis.

Councillor members of the Committee are not paid in addition to their Councillor Allowance.

**POLICY AND GOVERNANCE IMPLICATIONS**

The ARIC is a Statutory Committee that was required to be in place by 4 June 2022, however our ARIC commenced in 2009. New membership requirements came into effect 1 July 2024. With the requirement for 3 Independent Members (1 of whom is Chairperson) and 1 Non-Voting Councillor (who cannot be the Mayor).

Mr Bill Gillooly has been a serving ARIC Member since 2017. The OLG Guidelines and Local Government (General) Regulation 2021 provides that a person cannot be an ARIC Member for more than 8 years in any 10 year period. It is recommended that Mr Bill Gillooly's membership cease in November 2025 to allow time to appoint a further additional member while keeping continuity of the committee within the requirements.

The ARIC Terms of Reference outline at 10.3 – "Committee meetings can be held in person, by telephone or videoconference. Proxies are not permitted to attend meetings if a committee member cannot attend".

**RECOMMENDATION**

That Council resolves:

- 1 To appoint at least one Non-Voting Councillor to the Audit, Risk and Improvement Committee until September 2028 unless otherwise resolved by Council.
- 2 To appoint Mr Robert Lagaida as an Independent Member and Chairperson of the Audit, Risk and Improvement Committee until September 2028 unless otherwise resolved by Council.
- 3 To appoint Mr Lewis von Stieglitz as an independent member of the Audit, Risk and Improvement Committee until September 2028 unless otherwise resolved by Council.
- 4 To appoint Mr Bill Gillooly as an independent member of the Audit, Risk and Improvement Committee until November 2025 unless otherwise resolved by Council.
- 5 To place Strategic Policy ST40 – Audit Risk & Improvement - Terms of Reference on public exhibition for a minimum of 28 days.
- 6 To place Strategic Policy ST41 – Internal Audit – Terms of Reference on public exhibition for a minimum of 28 days.

**FURTHER CONSIDERATIONS**

Consideration has been given to the recommendation's impact on Council's service delivery; image and reputation; political; environmental; health and safety; employees; stakeholders and project management; and no further implications or risks have been identified.

**SUPPORTING INFORMATION**

On 19 December 2022, the Office of Local Government (OLG) issued an update on the Guidelines for Risk Management and Internal Audit for Local Government in NSW. A link to the guidelines is located below:

<https://www.olg.nsw.gov.au/council-circulars/22-41-update-on-the-guidelines-for-risk-management-and-internal-audit-for-local-government-in-nsw/>

Compliance with the Guidelines was required by 1 July 2024.

**Councillor Membership**

In accordance with the Guidelines, Councillors are permitted to be Non-Voting Committee members where resolved by Council. There is no requirement for Councillors to be members. The term of membership for a Councillor is 4 years to coincide with the term of Council. The Mayor is not permitted to be an ARIC member.

The ARIC Terms of Reference at 10.3 provide that "Committee meetings can be held in person, by telephone or videoconference. Proxies are not permitted to attend meetings if a committee member cannot attend".

It is recommended that Council appoint one or more Non-Voting Councillor Member/s for this term of Council.

Orange City Councillors receive a standing invite to attend ARIC Meetings as guests. Voting from guests is not permitted. Participation from guests in meetings is generally as an observer, however this is at the discretion of the Chairperson.

### Membership

The ARIC Charter identifies the composition of the ARIC as determined by Council, with three independent members (one who is chairperson) and a Non-Voting Councillor as core members. Other Non-voting members who attend include the Chief Executive Officer (CEO), Manager Corporate Governance, Director of Corporate and Commercial Services, Chief Financial Officer (CFO) and other subject matter experts as required from time to time.

The membership of the Audit, Risk and Improvement Committee as at 1 July 2024 was:

Position	Incumbent	Start Current Term Date	Finish Current Term Date	Recommendation
Chairperson	Mr Robert Lagaida	3 March 2022	September 2024	September 2028
Independent member	Mr William Gillooly	3 March 2022	September 2024	November 2025
Independent member	Mr Lewis von Steiglitz	6 December 2023	September 2024	September 2028
Non-Voting Councillor	Cr Frances Kinghorne	1 July 2024	September 2024	As resolved by Council.
Non-Voting Councillor (Alternate)	Cr Steven Peterson	1 July 2024	September 2024	As resolved by Council.

Appointments to the ARIC terminate at the conclusion of a term of Council, therefore this term of the ARIC will be until September 2028 unless otherwise resolved by Council.

As noted, Mr William Gillooly has been appointed as Independent Member on Council's ARIC since November 2017. As the limit on membership is 8 years, Mr Gillooly would only be able to continue as an independent member until November 2025. To allow for continuity through the new Council and allowing for sufficient time to appoint a new Independent Member it is recommended to appoint Mr Gillooly until November 2025.

The ARIC Terms of Reference and the Internal Audit Terms of Reference have been endorsed by the ARIC and are provided for Information of the Council with recommendation for placement on public exhibition.

### **ATTACHMENTS**

- 1 FOR EXHIBITION - Strategic Policy - ST41 - Internal Audit Terms of Reference, D24/88227 [↓](#)
- 2 FOR EXHIBITION - Strategic Policy - ST40 - Audit Risk & Improvement (ARIC) - Terms of Reference, D24/88228 [↓](#)



# Strategic Policy – ST41

Internal Audit

Terms of Reference

FOR EXHIBITION





## STRATEGIC POLICY – ST41

### 1 POLICY PURPOSE

- 1.1 Council has established the Internal Audit Function as a key component of the Council's Governance and assurance framework, in compliance with the Local Government (General) Regulation 2021 and the Office of Local Government's Guidelines for Risk Management and Internal Audit for Local Government in NSW.
- 1.2 These Terms of Reference provide the framework for the conduct of the Internal Audit function of Council and has been approved by the governing body taking into account the advice of the Council's Audit, Risk & Improvement Committee (ARIC).

### 2 PURPOSE OF INTERNAL AUDIT

- 2.1 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes (As defined by the International Standards for the Professional Practice of Internal Auditing (2017)).
- 2.2 Internal Audit provides an independent and objective review and advisory service to provide advice to the governing body, Chief Executive officer and Audit, Risk and Improvement Committee about Council's governance processes, risk management and control frameworks and its external accountability obligations. It also assists Council to improve its business performance.

### 3 INDEPENDENCE

- 3.1 Council's Internal Audit function is to be independent of the Council so it can provide an unbiased assessment of the Council's operations and risk and control activities.

3.2 Council's Internal Auditor reports functionally to Council's Audit, Risk and Improvement Committee on the results of completed audits, and for strategic direction and accountability purposes, and reports administratively to the Chief Executive officer to facilitate day-to-day operations. Internal audit activities are not subject to direction by the Council and Council's management has no role in the exercise of the Council's internal audit activities.

3.3 The Audit, Risk and Improvement Committee is responsible for communicating any internal audit issues or information to the governing body. Should the governing body require additional information, a request for the information may be made to the chairperson by resolution. The chairperson is only required to provide the information requested by the governing body where the chairperson is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act. Individual Councillors are not entitled to request or receive information from the committee.

3.4 The Chief Executive Officer must consult with the chairperson of Council's Audit, Risk and Improvement Committee before appointing or making decisions affecting the employment of the Internal Audit Coordinator.

3.5 Where the chairperson of Council's Audit, Risk and Improvement Committee has any concerns about the treatment of the Internal Audit Coordinator, or any action taken that may compromise their ability to undertake their functions independently, they can report their concerns to the governing body.



## STRATEGIC POLICY – ST41

3.6 The Internal Audit Coordinator is to confirm at least annually to the Audit, Risk and Improvement Committee the independence of internal audit activities from the Council.

### 4 AUTHORITY

4.1 Council authorises the Internal Auditor to have full, free and unrestricted access to all functions, premises, assets, personnel, records and other documentation and information that the Internal Audit Coordinator considers necessary for the Internal Auditor to undertake its responsibilities.

4.2 All records, documentation and information accessed while undertaking internal audit activities are to be used solely for the conduct of those activities. The Internal Audit Coordinator and individual internal audit staff are responsible and accountable for maintaining the confidentiality of the information they receive when undertaking their work.

4.3 All internal audit documentation is to remain the property of Council, including where internal audit services are performed by an external third-party provider.

4.4 Information and documents pertaining to the Internal Auditor are not to be made publicly available. The Internal Auditor may only release Council information to external parties that are assisting the Internal Auditor to undertake its responsibilities with the approval of the Chief Executive Officer, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

### 5 ROLE

5.1 The Internal Auditor is to support the Council's Audit, Risk and Improvement Committee to review and provide independent advice to Council in

accordance with section 428A of the Local Government Act 1993. This includes conducting internal audits of Council and monitoring the implementation of corrective actions.

5.2 The Internal Auditor is to also play an active role in:

- developing and maintaining a culture of accountability and integrity
- facilitating the integration of risk management into day-to-day business activities and processes, and
- promoting a culture of high ethical standards.

5.3 The Internal Auditor has no direct authority or responsibility for the activities it reviews. The Internal Auditor has no responsibility for developing or implementing procedures or systems and does not prepare records or engage in Council functions or activities (except in carrying out its own functions).

### 6 INTERNAL AUDIT COORDINATOR

#### Internal Audit Function

6.1 Council's Internal Audit function is to be led by a member of Council's staff with sufficient skills, knowledge and experience to ensure it fulfils its role and responsibilities to the Council and the Audit, Risk and Improvement committee.

6.2 The Internal Audit Coordinator must be independent, impartial, unbiased and objective when performing their work and free from any conflicts of interest.

6.3 Responsibilities of the Internal Audit Coordinator include:

- managing the day-to-day activities of the Internal Audit function
- managing Council's internal audit budget
- supporting the operation of Council's Audit, Risk and Improvement Committee



## STRATEGIC POLICY – ST41

- approving internal audit project plans, conducting or supervising audits and assessments and providing independent advice to the Audit, Risk and Improvement Committee
  - monitoring Council's implementation of corrective actions that arise from the findings of audits
  - implementing the Audit, Risk and Improvement Committee's annual work plan and four-year strategic work plan
  - ensuring Council's internal audit activities comply with the Office of Local Government's Guidelines for Risk Management and Internal Audit for Local Government in NSW, and
  - contract management and oversight of supplementary external providers (where appropriate).
- 6.4 The Manager Corporate Governance is Council's appointed Internal Audit Coordinator.
- ### 7 INTERNAL AUDIT TEAM
- Out-sourced Internal Audit Team
- 7.1 Council is to contract an external third-party provider to undertake its internal audit activities. To ensure the independence of the external provider, the Internal Audit Coordinator is to ensure the external provider:
- 7.2 does not conduct any audits on specific Council operations or areas that they have worked on within the last two years
  - 7.3 is not the same provider conducting the Council's external audit
  - 7.4 is not the auditor of any contractors of the Council that may be subject to the internal audit, and
  - 7.5 can satisfy the requirements of the Office of Local Government's Guidelines for Risk Management and Internal Audit for Local Government in NSW.
- 7.6 The Internal Audit Coordinator must consult with the Audit, Risk and Improvement Committee and the Chief Executive Officer regarding the appropriateness of the skills, knowledge and experience of any external provider before they are engaged by Council.
- ### 8 PERFORMING INTERNAL AUDIT ACTIVITIES
- 8.1 The work of the Internal Auditor is to be thoroughly planned and executed. The Council's Audit, Risk and Improvement Committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the Committee and considered by the Internal Audit function when developing their risk-based program of Internal Audits. The strategic work plan must be reviewed at least annually to ensure it remains appropriate.
- 8.2 The committee must also develop an annual work plan to guide the work of the Internal Audit Function over the forward year.
- 8.3 All internal audit activities are to be performed in a manner that is consistent with relevant professional standards including the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and AS ISO 31000:2018 Risk Management Guidelines.
- 8.4 The Internal Audit Coordinator is to provide the findings and recommendations of Internal Audits to the Audit, Risk and Improvement Committee at the end of each audit. Each report is to include a response from the relevant Senior Manager.
- 8.5 The Internal Audit Coordinator is to establish an ongoing monitoring system to follow up Council's progress in implementing corrective actions.



## STRATEGIC POLICY – ST41

- 8.6 The Chief Executive Officer, in consultation with the Audit, Risk and Improvement Committee, is to develop and maintain policies and procedures to guide the operation of Council's Internal Audit function.
- 8.7 The Internal Audit Coordinator is to ensure that the Audit, Risk and Improvement Committee is advised at each of the committee's meetings of the internal audit activities completed during that quarter, progress in implementing the annual work plan and progress made implementing corrective actions.
- ### 9 CONDUCT
- 9.1 Internal Audit personnel must comply with Council's Code of Conduct. Complaints about breaches of the Code of Conduct by Internal Audit personnel are to be dealt with in accordance with the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW. The Chief Executive Officer must consult with Council's Audit, Risk and Improvement Committee before any disciplinary action is taken against the Internal Audit Coordinator in response to a breach of Council Code of Conduct.
- 9.2 Internal Auditors must also comply with the Code of Ethics for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.
- ### 10 ADMINISTRATIVE ARRANGEMENTS
- Audit, Risk and Improvement Committee meetings
- 10.1 The Internal Audit Coordinator will attend Audit, Risk and Improvement Committee meetings as an independent non-voting observer. The Internal Audit Coordinator can be excluded from meetings by the committee at any time.
- 10.2 The Internal Audit Coordinator must meet separately with the Audit, Risk and Improvement Committee at least once per year.
- 10.3 The Internal Audit Coordinator can meet with the chairperson of the Audit, Risk and Improvement Committee at any time, as necessary, between committee meetings.
- External Audit
- 10.4 Internal and external audit activities will be coordinated to help ensure the adequacy of overall audit coverage and to minimise duplication of effort.
- 10.5 Periodic meetings and contact between internal and external audit shall be held to discuss matters of mutual interest and to facilitate coordination.
- 10.6 External audit will have full and free access to all internal audit plans, working papers and reports.
- Dispute resolution
- 10.7 The Internal Auditor should maintain an effective working relationship with Council and the Audit, Risk and Improvement Committee and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.
- 10.8 In the event of a disagreement between the Internal Auditor and Council, the dispute is to be resolved by the Chief Executive Officer and/or the Audit, Risk and Improvement Committee. Disputes between the Internal Auditor and the Audit, Risk and Improvement Committee are to be resolved by the governing body.
- 10.9 Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Departmental Chief Executive of the Office of Local Government in writing.





## STRATEGIC POLICY – ST41

### Review Arrangements

- 10.10 Council's Audit, Risk and Improvement Committee must review the performance of the Internal Audit function each year and report its findings to the governing body. A strategic review of the performance of the Internal Auditor must be conducted each Council term that considers the views of an external party with a strong knowledge of internal audit and reported to the governing body.
- 10.11 These Terms of Reference are to be reviewed annually by the Committee and once each Council term by the governing body. Any substantive changes are to be approved by the governing body.

### **11 FURTHER INFORMATION**

- 11.1 For further information on Council's Internal Audit activities, contact Council's Manager Corporate Governance via:
- Email - [council@orange.nsw.gov.au](mailto:council@orange.nsw.gov.au)
  - Phone - 02 6393 8000.

FOR EXHIBITION



## STRATEGIC POLICY – ST41

### 12 SCHEDULE 1 – INTERNAL AUDIT FUNCTION RESPONSIBILITIES

#### AUDIT

##### Internal Audit

- 12.1 Conduct Internal Audits as directed by Council's Audit, Risk and Improvement Committee.
- 12.2 Implement Council's annual and four-year strategic internal audit work plans.
- 12.3 Monitor the implementation by the Council of corrective actions.
- 12.4 Assist the Council to develop and maintain a culture of accountability and integrity.
- 12.5 Facilitate the integration of risk management into day-to-day business activities and processes.
- 12.6 Promote a culture of high ethical standards.

##### External Audit

- 12.7 Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided.
- 12.8 Review all external plans and reports in respect of planned or completed audits and monitor the Council's implementation of audit recommendations.
- 12.9 Provide advice on action taken on significant issues raised in relevant external audit reports and better practice guides.

#### RISK

##### Risk Management

- 12.10 Review and advise:
  - if Council has in place a current and appropriate Risk Management Framework that is consistent with the Australian Risk Management Standard
  - whether the Council's Risk Management Framework is adequate and effective for identifying and managing the risks Council faces, including those associated

with individual projects, programs and other activities

- if Risk Management is integrated across all levels of Council and across all processes, operations, services, decision-making, functions and reporting
- of the adequacy of risk reports and documentation, for example, Council's Risk Register and Risk Profile
- whether a sound approach has been followed in developing risk management plans for major projects or undertakings
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- if Council has taken steps to embed a culture which is committed to ethical and lawful behaviour
- if there is a positive risk culture within Council and strong leadership that supports effective Risk Management
- of the adequacy of staff training and induction in Risk Management
- how Council's Risk Management approach impacts on Council's insurance arrangements
- of the effectiveness of Council's management of its assets, and
- of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.

##### Internal Controls

- 12.11 Review and advise:
  - whether Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective
  - whether Council has in place relevant policies and procedures and that these are periodically reviewed and updated



## STRATEGIC POLICY – ST41

- whether appropriate policies and procedures are in place for the management and exercise of delegations
- whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with
- if Council's monitoring and review of controls is sufficient, and
- if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

### Compliance

12.12 Review and advise of the adequacy and effectiveness of Council's compliance framework, including:

- if Council has appropriately considered legal and compliance risks as part of the risk management framework
- how Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- whether appropriate processes are in place to assess compliance.

### Fraud and Corruption

12.13 Review and advise of the adequacy and effectiveness of the Council's Fraud and Corruption Prevention Framework and activities, including whether the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

### Financial Management

12.14 Review and advise:

- if Council is complying with accounting standards and external accountability requirements
- of the appropriateness of Council's accounting policies and disclosures
- of the implications for Council of the findings of external audits and performance audits and Council's responses and implementation of recommendations

- whether Council's financial statement preparation procedures and timelines are sound
- the accuracy of Council's annual financial statements prior to external audit, including:
  - management compliance/representations
  - significant accounting and reporting issues
  - the methods used by Council /to account for significant or unusual transactions and areas of significant estimates or judgements
  - appropriate management signoff on the statements
- if effective processes are in place to ensure financial information included in Council's report is consistent with signed financial statements
- if Council's financial management processes are adequate
- the adequacy of cash management policies and procedures
- if there are adequate controls over financial processes, for example:
  - appropriate authorisation and approval of payments and transactions
  - adequate segregation of duties
  - timely reconciliation of accounts and balances
  - review of unusual and high value purchases
- if policies and procedures for management review and consideration of the financial position and performance of the Council are adequate
- if Council's grants and tied funding policies and procedures are sound.

### Governance

12.15 Review and advise of the adequacy of the Council Governance Framework, including the Council's:

- decision-making processes



## STRATEGIC POLICY – ST41

- implementation of governance policies and procedures
  - reporting lines and accountability
  - assignment of key roles and responsibilities
  - committee structure
  - management oversight responsibilities
  - human resources and performance management activities
  - reporting and communication activities
  - information and communications technology (ICT) governance, and
  - management and governance of the use of data, information and knowledge.
- if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
  - how Council can improve its service delivery and Council’s performance of its business and functions generally

Performance Data and Measurement

12.18 Review and advise:

- if Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
- if the performance indicators Council uses are effective, and
- of the adequacy of performance data collection and reporting.

### IMPROVEMENT

Strategic Planning

12.16 Review and advise:

- of the adequacy and effectiveness of Council’s Integrated, Planning and Reporting (IP&R) processes
- if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- whether Council is successfully implementing and achieving its IP&R objectives and strategies.

Service Reviews and Business Improvement

12.17 Review and advise:

- if Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance

*All policies can be reviewed or revoked by Council, at any time.*

ST41 – Strategic Policy – Internal Audit Terms of Reference		
Review by: Internal Audit Coordinator	Review Date: 28 August 2024	
Review by: Audit Risk & Improvement Committee	Review Date: 28 August 2024	
Review by: Chief Executive Officer	Review Date: 28 August 2024	
Approved By:	Minute Number:	Approval Date:
Next Review Due: November 2028	Version 1_24	Last Revision: August 2024



# Strategic Policy – ST40

Audit Risk & Improvement (ARIC)  
Terms of Reference

FOR EXHIBITION





## STRATEGIC POLICY – ST40

### 1 PURPOSE

- 1.1 Council has established an audit, risk and improvement committee in compliance with section 428A of the Local Government Act 1993, the Local Government (General) Regulation 2021 and the Office of Local Government's Guidelines for risk management and internal audit for local government in NSW. These terms of reference set out the committee's objectives, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

### 2 OBJECTIVE

- 2.1 The objective of Council's Audit, Risk and Improvement Committee is to provide independent assurance to Council by monitoring, reviewing and providing advice about Council's governance processes, compliance, risk management and control frameworks, external accountability obligations and overall performance.

### 3 INDEPENDENCE

- 3.1 The committee is to be independent to ensure it has no real or perceived bias or conflicts of interest that may interfere with its ability to act independently and to provide Council with robust, objective and unbiased advice and assurance.
- 3.2 The committee is to have an advisory and assurance role only and is to exercise no administrative functions, delegated financial responsibilities or any management functions of Council.
- 3.3 The committee will provide independent advice to Council that is informed by Council's Internal Audit and Risk Management activities and information and advice provided by staff, relevant external bodies and subject matter experts.
- 3.4 The committee must always ensure it maintains a direct reporting line to and from Council's internal audit function and act as a mechanism for internal audit to report to the governing body and the Chief Executive Officer on matters affecting the performance of the internal audit function.

### 4 AUTHORITY

- 4.1 Council authorises the committee, for the purposes of exercising its responsibilities, to:

- access any information it needs from Council
- use any Council resources it needs
- have direct and unrestricted access to the Chief Executive officer and senior management of Council
- seek the Chief Executive Officer's permission to meet with any other Council staff member or contractor
- discuss any matters with the external auditor or other external parties
- request the attendance of any employee at committee meetings, and
- obtain external legal or other professional advice in line with Councils' procurement policies, with approval of the Chief Executive Officer or his nominee and an allocation of a budget for costs.

- 4.2 Information and documents pertaining to the committee are confidential and are not to be made publicly available. The committee may only release Council information to external parties that are assisting the committee to fulfil its responsibilities with the approval of the Chief Executive officer, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.

### 5 COMPOSITION & TENURE

- 5.1 The committee as required under the Local Government (General) Regulation 2021, consists of:
- one independent chairperson
  - two independent members who have voting rights
  - one non-voting Councillor.
- 5.2 The governing body is to appoint the chairperson and members of the committee at its first meeting following a General Election.



## STRATEGIC POLICY – ST40

- 5.3 All committee members must meet the independence and eligibility criteria prescribed under the Local Government (General) Regulation 2021.
- 5.4 Members will be appointed for up to a four-year term. Members can be reappointed for one further term, but the total period of continuous membership cannot exceed eight years. This includes any term as chairperson of the committee.
- 5.5 Members who have served an eight-year term (either as a member or as chairperson) must have a two-year break from serving on the committee before being appointed again.
- 5.6 To preserve the committee's knowledge of the Council, ideally, no more than one member should retire from the committee because of rotation in any one year.
- 5.7 The terms and conditions of each member's appointment to the committee are to be set out in a letter of appointment. New members will be thoroughly inducted to their role and receive relevant information and briefings on their appointment to assist them to meet their responsibilities.
- 5.8 Prior to approving the reappointment or extension of the chairperson's or an independent member's term, the governing body is to undertake an assessment of the chairperson's or committee member's performance.
- 5.9 Reappointment of the chairperson or a committee member is also to be subject to that person still meeting the independence and eligibility requirements prescribed under the Local Government (General) Regulation 2021.
- 5.10 Members of the committee must possess and maintain a broad range of skills, knowledge and experience relevant to the operations, governance and financial management of Council, the environment in which Council operates, and the contribution that the committee makes to Council.
- 5.11 At least one member of the committee must have accounting or related financial management experience with an understanding of accounting and auditing standards in a Local Government environment.
- 5.12 All members should have sufficient understanding of Council's financial reporting responsibilities to be able to contribute to the committee's consideration of Council's annual financial statements.
- ### 6 ROLE
- 6.1 As required under section 428A of the Local Government Act 1993 (the Act), the role of the committee is to review and provide independent advice to Council regarding the following aspects of Council's operations:
- Compliance
  - Risk Management
  - Fraud Control
  - Financial Management
  - Governance
  - Implementation of the Strategic plan, Delivery program and Strategies
  - Service Reviews
  - Collection of performance measurement data by Council, and
  - Internal Audit.
- 6.2 The committee must also provide information to Council for the purpose of improving the Council's performance of its functions.
- 6.3 The committee's specific Audit, Risk and Improvement responsibilities under section 428A of the Act are outlined in Schedule 1 to these terms of reference.
- 6.4 The committee will act as a forum for consideration of Council's Internal Audit function and oversee its planning, monitoring and reporting to ensure it operates effectively.
- 6.5 The committee has no power to direct external audit or the way it is planned and undertaken but will act as a forum for the consideration of external audit findings.
- 6.6 The committee is directly responsible and accountable to the governing body for the



## STRATEGIC POLICY – ST40

exercise of its responsibilities. In carrying out its responsibilities, the committee must at all times recognise that primary responsibility for management of the Council rests with the governing body and the Chief Executive Officer.

- 6.7 The responsibilities of the committee may be revised or expanded in consultation with, or as requested by, the governing body from time to time.

### 7 RESPONSIBILITIES OF MEMBERS

#### Independent Members

- 7.1 The chairperson and members of the committee are expected to understand and observe the requirements of the Office of Local Government's Guidelines for Risk Management and Internal Audit for Local Government in NSW.

- 7.2 Members are also expected to:

- make themselves available as required to attend and participate in meetings
- contribute the time needed to review and understand information provided to it
- apply good analytical skills, objectivity and judgement
- act in the best interests of Council
- have the personal courage to raise and deal with tough issues, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of inquiry
- maintain effective working relationships with Council
- have strong leadership qualities (chairperson)
- lead effective committee meetings (chairperson), and
- oversee Council's Internal Audit function (chairperson).

#### Councillor Members (if applicable)

- 7.3 To preserve the independence of the committee, the Councillor member of the committee is a non-voting member.

- 7.4 Their role is to:

- relay to the committee any concerns the governing body may have regarding

Council and issues being considered by the committee

- provide insights into local issues and the strategic priorities of Council that would add value to the committee's consideration of agenda items
- advise the governing body (as necessary) of the work of the committee and any issues arising from it, and
- assist the governing body to review the performance of the committee.

- 7.5 Issues or information the Councillor member raises with or provides to the committee must relate to the matters listed in Schedule 1 and issues being considered by the committee.

- 7.6 The Councillor member of the committee must conduct themselves in a non-partisan and professional manner.

- 7.7 The Councillor member of the committee must not engage in any conduct that seeks to politicise the activities of the committee or the internal audit function or that could be seen to do so.

- 7.8 If the Councillor member of the committee engages in such conduct or in any other conduct that may bring the committee and its work into disrepute, the chairperson of the committee may recommend to Council, that the Councillor member be removed from membership of the committee.

- 7.9 Where Council does not agree to the committee chairperson's recommendation, Council must give reasons for its decision in writing to the chairperson.

#### Conduct

- 7.10 Independent committee members are required to comply with Council's Code of Conduct.

- 7.11 Complaints alleging breaches of the Code of Conduct by an independent committee member are to be dealt with in accordance with the Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW.





## STRATEGIC POLICY – ST40

7.12 The Chief Executive Officer must consult with the governing body before taking any disciplinary action against an independent committee member in response to a breach of Code of Conduct.

### Conflicts of interest

7.13 Once a year, committee members must provide written declarations to Council stating that they do not have any conflicts of interest that would preclude them from being members of the committee.

7.14 Independent committee members are 'designated persons' for the purposes of the Code of Conduct and must also complete and submit returns of their interests.

7.15 Committee members and observers must declare any pecuniary or non-pecuniary conflicts of interest they may have in a matter being considered at the meeting at the start of each meeting or as soon as they become aware of the conflict of interest. Where a committee member or observer declares a pecuniary or a significant non-pecuniary conflict of interest, they must remove themselves from committee deliberations on the issue. Details of conflicts of interest declared at meetings must be appropriately minuted.

### Standards

7.16 Committee members are to conduct their work in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and AS ISO 31000:2018 Risk Management Guidelines, where applicable.

## 8 WORK PLANS

8.1 The work of the committee is to be thoroughly planned and executed. The committee must develop a strategic work plan every four years to ensure that the matters listed in Schedule 1 are reviewed by the committee and considered by the internal audit function when developing their risk-based program of internal audits.

8.2 The strategic work plan must be reviewed at least annually to ensure it remains appropriate.

8.3 The committee may, in consultation with the governing body, vary the strategic work plan at any time to address new or emerging risks. The governing body may also, by resolution, request the committee to approve a variation to the strategic work plan. Any decision to vary the strategic work plan must be made by the committee.

8.4 The committee must also develop an annual work plan to guide its work, and the work of the internal audit function over the forward year.

8.5 The committee may, in consultation with the governing body, vary the annual work plan to address new or emerging risks.

8.6 The governing body may also, by resolution, request the committee to approve a variation to the annual work plan. Any decision to vary the annual work plan must be made by the committee.

8.7 When considering whether to vary the strategic or annual work plans, the committee must consider the impact of the variation on the internal audit function's existing workload and the completion of pre-existing priorities and activities identified under the work plan.

## 9 ASSURANCE REPORTING

9.1 The committee must regularly report to Council to ensure that it is kept informed of matters considered by the committee and any emerging issues that may influence the strategic direction of Council or the achievement of Council's goals and objectives.

9.2 The committee will provide an update to the governing body and the Chief Executive Officer of its activities and opinions after every committee meeting.

9.3 The committee will provide an annual assessment to the governing body and the Chief Executive Officer on the committee's work and its opinion on how Council is performing.



## STRATEGIC POLICY – ST40

- 9.4 The committee will provide a comprehensive assessment every council term of the matters listed in Schedule 1 to the governing body and the Chief Executive Officer.
- 9.5 The committee may at any time report to the governing body or the [Chief Executive Officer on any other matter it deems of sufficient importance to warrant their attention. The Mayor and the chairperson of the committee may also meet at any time to discuss issues relating to the work of the committee.
- 9.6 Should the governing body require additional information, a request for the information may be made to the chairperson by resolution. The chairperson is only required to provide the information requested by the governing body where the chairperson is satisfied that it is reasonably necessary for the governing body to receive the information for the purposes of performing its functions under the Local Government Act. Individual Councillors are not entitled to request or receive information from the committee.
- ### 10 ADMINISTRATIVE ARRANGEMENTS
- Meetings
- 10.1 The committee will meet at least four times per year, and may hold a special meeting to review Council's financial statements.
- 10.2 The committee can hold additional meetings when significant unexpected issues arise, or if the chairperson is asked to hold an additional meeting by a committee member, the Chief Executive Officer or the governing body.
- 10.3 Committee meetings can be held in person, by telephone or videoconference. Proxies are not permitted to attend meetings if a committee member cannot attend.
- 10.4 A quorum will consist of a majority of independent voting members. Where the vote is tied, the chairperson has the casting vote.
- 10.5 The chairperson of the committee will decide the agenda for each committee meeting.
- 10.6 Each committee meeting is to be minuted to preserve a record of the issues considered and the actions and decisions taken by the committee.
- 10.7 The Appointed Councillor(s), Chief Executive Officer, Director Corporate & Commercial Services and the Internal Audit Coordinator should attend committee meetings as non-voting observers.
- 10.8 The external auditor (or their representative) is to be invited to each committee meeting as an independent observer.
- 10.9 The chairperson can request the Council's Chief Financial Officer, Risk Management Lead, Relevant Senior Managers, any Councillors, any employee/contractor of Council and any subject matter expert to attend committee meetings.
- 10.10 Where requested to attend a meeting, persons must attend the meeting where possible and provide any information requested. Observers have no voting rights and can be excluded from a meeting by the chairperson at any time.
- 10.11 The committee can hold closed meetings whenever it needs to discuss confidential or sensitive issues with only voting members of the committee present.
- 10.12 The committee must meet separately with the Internal Audit Coordinator and Council's external auditor at least once each year.
- Dispute Resolution
- 10.13 Members of the committee and Council's management should maintain an effective working relationship and seek to resolve any differences they may have in an amicable and professional way by discussion and negotiation.



## STRATEGIC POLICY – ST40

- 10.14 In the event of a disagreement between the committee and the Chief Executive Officer or other senior managers, the dispute is to be resolved by the governing body.
- 10.15 Unresolved disputes regarding compliance with statutory or other requirements are to be referred to the Departmental Chief Executive of the Office of Local Government in writing.
- been charged with a serious criminal offence
  - been proven to be in serious breach of their obligations under any legislation, or
  - experienced an adverse change in capacity or capability.
- 10.19 The position of a Councillor member on the committee can be terminated at any time by the governing body by resolution.

### Secretariat

- 10.16 The Chief Executive Officer will nominate a staff member to provide secretariat support to the committee. The secretariat will ensure the agenda for each meeting and supporting papers are circulated after approval from the chairperson at least two weeks before the meeting and ensure that minutes of meetings are prepared and maintained. Minutes must be approved by the chairperson and circulated to each member with the next meeting agenda.

### Resignation and Dismissal of Members

- 10.17 Where the chairperson or a committee member is unable to complete their term or does not intend to seek reappointment after the expiry of their term, they should give 8 weeks' notice to the chairperson and the governing body prior to their resignation to allow Council to ensure a smooth transition to a new chairperson or committee member.
- 10.18 The governing body can, by resolution, terminate the appointment of the chairperson or an independent committee member before the expiry of their term where that person has:
- breached Council's Code of Conduct
  - performed unsatisfactorily or not to expectations
  - declared, or is found to be in, a position of a conflict of interest which is unresolvable
  - been declared bankrupt or found to be insolvent
  - experienced an adverse change in business status

### Review Arrangements

- 10.20 At least once every Council term, the governing body must review or arrange for an external review of the effectiveness of the committee.
- 10.21 These terms of reference must be reviewed annually by the committee and once each council term by the governing body. Any substantive changes are to be approved by the governing body.

## 11 FURTHER INFORMATION

- 11.1 For further information on Council's Audit, Risk and Improvement Committee, contact the Manager Corporate Governance via:
- Email - [council@orange.nsw.gov.au](mailto:council@orange.nsw.gov.au)
  - Phone - 02 6393 8000.



## STRATEGIC POLICY – ST40

### 12 APPENDIX 1 – ARIC RESPONSIBILITIES

#### AUDIT

##### Internal Audit

- 12.1 Provide overall strategic oversight of internal audit activities.
- 12.2 Act as a forum for communication between the governing body, Chief Executive Officer, senior management, the internal audit function and external audit.
- 12.3 Oversee the work programs of internal audit and other assurance and review functions.
- 12.4 Review and advise Council:
- on whether Council is providing the resources necessary to successfully deliver the internal audit function
  - if Council is complying with internal audit requirements, including conformance with the International Professional Practices Framework
  - if Council's internal audit charter is appropriate and whether the internal audit policies and procedures and audit/risk methodologies used by Council are suitable
  - of the strategic four-year work plan and annual work plan of internal audits to be undertaken by Council's internal audit function
  - if Council's internal audit activities are effective, including the performance of the internal audit coordinator and the internal audit function
  - of the findings and recommendations of internal audits conducted, and corrective actions needed to address issues raised
  - of the implementation by Council of these corrective actions
  - on the appointment of the internal audit coordinator and external providers, and
  - if the internal audit function is structured appropriately and has sufficient skills and expertise to meet its responsibilities.

##### External Audit

- 12.5 Act as a forum for communication between the governing body, Chief Executive Officer, senior management, the internal audit function and external audit.
- 12.6 Coordinate as far as is practicable, the work programs of internal audit and external audit.
- 12.7 Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the audit services provided.
- 12.8 Review all external plans and reports in respect of planned or completed audits and monitor Council's implementation of audit recommendations.
- 12.9 Provide advice to the governing body and/or the Chief Executive Officer] on action taken on significant issues raised in relevant external audit reports and better practice guides.

#### RISK

##### Risk Management

- 12.10 Review and advise Council:
- If Council has in place a current and appropriate risk management framework that is consistent with the Australian risk management standard
  - whether Council is providing the resources necessary to successfully implement its risk management framework
  - whether Council's Risk Management Framework is adequate and effective for identifying and managing the risks Council faces, including those associated with individual projects, programs and other activities
  - if Risk Management is integrated across all levels of Council and across all processes, operations, services, decision-making, functions and reporting



## STRATEGIC POLICY – ST40

- of the adequacy of risk reports and documentation, for example, Council's Risk Register and Risk Profile
- whether a sound approach has been followed in developing risk management plans for major projects or undertakings
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- if Council has taken steps to embed a culture which is committed to ethical and lawful behaviour
- if there is a positive risk culture within Council and strong leadership that supports effective risk management
- of the adequacy of staff training and induction in risk management
- how Council's Risk Management approach impacts on Council's insurance arrangements
- of the effectiveness of the Council's management of its assets, and
- of the effectiveness of business continuity arrangements, including business continuity plans, disaster recovery plans and the periodic testing of these plans.
- if Council's monitoring and review of controls is sufficient, and
- if internal and external audit recommendations to correct internal control weaknesses are implemented appropriately.

### Compliance

12.12 Review and advise Council of the adequacy and effectiveness of Council's compliance framework, including:

- if Council has appropriately considered legal and compliance risks as part of the Council's Risk Management Framework
- how Council manages its compliance with applicable laws, regulations, policies, procedures, codes, and contractual arrangements, and
- whether appropriate processes are in place to assess compliance.

### Fraud and Corruption

12.13 Review and advise Council of the adequacy and effectiveness of the Council's Fraud and Corruption Prevention Framework and activities, including whether Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information.

### Financial Management

12.14 Review and advise Council:

- if Council is complying with accounting standards and external accountability requirements
- of the appropriateness of the Council's accounting policies and disclosures
- of the implications for Council of the findings of external audits and performance audits and the Council's responses and implementation of recommendations
- whether Council's financial statement preparation procedures and timelines are sound
- the accuracy of Councils' annual financial statements prior to external audit, including:

### Internal Controls

12.11 Review and advise Council:

- whether Council's approach to maintaining an effective internal audit framework, including over external parties such as contractors and advisors, is sound and effective
- whether Council has in place relevant policies and procedures and that these are periodically reviewed and updated
- whether appropriate policies and procedures are in place for the management and exercise of delegations
- whether staff are informed of their responsibilities and processes and procedures to implement controls are complied with



## STRATEGIC POLICY – ST40

- management compliance/representations
- significant accounting and reporting issues
- the methods used by Council to account for significant or unusual transactions and areas of significant estimates or judgements
- appropriate management signoff on the statements
- if effective processes are in place to ensure financial information included in Council's annual report is consistent with signed financial statements
- if Council's financial management processes are adequate
- the adequacy of cash management policies and procedures
- if there are adequate controls over financial processes, for example:
  - appropriate authorisation and approval of payments and transactions
  - adequate segregation of duties
  - timely reconciliation of accounts and balances
  - review of unusual and high value purchases
- if policies and procedures for management review and consideration of the financial position and performance of Council are adequate
- if Council's grants and tied funding policies and procedures are sound.
- human resources and performance management activities
- reporting and communication activities
- information and communications technology (ICT) governance, and
- management and governance of the use of data, information and knowledge

### IMPROVEMENT

#### Strategic Planning

##### 12.16 Review and advise Council:

- of the adequacy and effectiveness of Council's integrated, planning and reporting (IP&R) processes
- if appropriate reporting and monitoring mechanisms are in place to measure progress against objectives, and
- whether Council is successfully implementing and achieving its IP&R objectives and strategies.

#### Service Reviews and Business Improvement

##### 12.17 Act as a forum for communication and monitoring of any audits conducted by external bodies and the implementation of corrective actions (for example, NSW government agencies, Commonwealth government agencies, insurance bodies)

##### 12.18 Review and advise Council:

- If Council has robust systems to set objectives and goals to determine and deliver appropriate levels of service to the community and business performance
- if appropriate reporting and monitoring mechanisms are in place to measure service delivery to the community and overall performance, and
- how Council can improve its service delivery and Council's performance of its business and functions generally

#### Governance

##### 12.15 Review and advise Council regarding its governance framework, including Council's:

- decision-making processes
- implementation of governance policies and procedures
- reporting lines and accountability
- assignment of key roles and responsibilities
- committee structure
- management oversight responsibilities



# STRATEGIC POLICY – ST40

Performance Data and Measurement

- 12.19 Review and advise Council:
- if Council has a robust system to determine appropriate performance indicators to measure the achievement of its strategic objectives
  - if the performance indicators Council uses are effective, and
  - of the adequacy of performance data collection and reporting.

<i>All policies can be reviewed or revoked by Council, at any time.</i>		
<b>ST40 – Strategic Policy – Audit Risk &amp; Improvement Committee (ARIC) Terms of Reference</b>		
Review by: Audit Risk & Improvement Committee		Review Date: 28 August 2024
Approved By:	Minute Number:	Approval Date:
Next Review Due: November 2028	Version 1_24	Last Revision: August 2024

FOR EXHIBITION





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**5.7 MINING AND ENERGY RELATED COUNCILS (MERC) - COUNCILLOR REPRESENTATIVE**

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RECORD NUMBER: 2024/1660

AUTHOR: Catherine Davis, Executive Support Manager

**EXECUTIVE SUMMARY**

The MERC (Mining & Energy Related Councils) are holding their AGM on Thursday 14 November 2024.

At this meeting the MERC will elect a Chairperson. In order for Orange City Council's representative to be able to stand for this position, this report seeks to determine our Councillor representative on this committee. Meetings are generally held quarterly.

All other Committees will be determined at a future meeting. This appointment is as an exception to selecting a Councillor representative for this external agency as their meeting occurs before our other appointment process. Cr Duffy was the last Orange City Council representative and also the last Chair of MERC.

**LINK TO DELIVERY/OPERATIONAL PLAN**

The recommendation in this report relates to the Delivery/Operational Plan strategy "18.1. Provide representative, responsible and accountable community governance".

**FINANCIAL IMPLICATIONS**

Attendance at quarterly MERC meetings (usually held in Sydney) incurs a one or two night accommodation cost plus any out of pocket expenses such as meals and parking. Generally meetings can be attended via audio visual link.

There is no specific budget allocation for a MERC representative to cover the costs of attending meetings. Unless Council resolves otherwise the funds will come out of the selected Councillor conference allowance of \$5,000.

Future year costings for attendance at all external agency meetings should be considered in those future budgets.

**POLICY AND GOVERNANCE IMPLICATIONS**

Nil.

**RECOMMENDATION**

**That Council select a Councillor representative for the Mining and Energy Related Councils Committee.**

**SUPPORTING INFORMATION**

This early election of a Councillor representative to the MERC agency has come through a request from the Executive Officer of MERC due to the timing of their AGM.

Additional information relating to the MERC can be found at <https://miningrelatedcouncils.asn.au/>

The elected Councillor member will be required to attend the MERC AGM on 14 November 2024. Meetings can generally be attended either in person or via Audio Visual Link.

## **6 CLOSED MEETING - SEE CLOSED AGENDA**

The Chief Executive Officer will advise the Council if any written submissions have been received relating to any item advertised for consideration by a closed meeting of Orange City Council.

The Mayor will extend an invitation to any member of the public present at the meeting to make a representation to Council as to whether the meeting should be closed for a particular item. In accordance with the Local Government Act 1993, and the Local Government (General) Regulation 2021, in the opinion of the Chief Executive Officer, the following business is of a kind as referred to in Section 10A(2) of the Act, and should be dealt with in a Confidential Session of the Council meeting closed to the press and public.

### **RECOMMENDATION**

That Council adjourn into a Closed Meeting and members of the press and public be excluded from the Closed Meeting, and access to the correspondence and reports relating to the items considered during the course of the Closed Meeting be withheld unless declassified by separate resolution. This action is taken in accordance with Section 10A(2) of the Local Government Act, 1993 as the items listed come within the following provisions:

#### **6.1 2024 LGNSW Annual Conference - Nomination for Councillor Attendance**

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 (f) matters affecting the security of the Council, Councillors, Council staff or Council property.

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**6.1 2024 LGNSW ANNUAL CONFERENCE - NOMINATION FOR COUNCILLOR ATTENDANCE**

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RECORD NUMBER: 2024/1309

AUTHOR: Catherine Davis, Executive Support Manager

**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 (f) matters affecting the security of the Council, Councillors, Council staff or Council property.

## **7 RESOLUTIONS FROM CLOSED MEETING**