

**Minutes of Meeting 21 May 2025**
**Meeting commenced at 2:30pm**

Prior to the meeting the Audit, Risk and Improvement Committee (ARIC or Committee) met in-camera online.

**PRESENT**

<b>Audit Risk &amp; Improvement Committee Members</b>	
Independent Member - Chair	Ilona Meyer
Independent Member	Belinda Lawn
Independent Member	Chris Davies
Councillor	Clr Philippa Scott
Independent Member	Vacant
<b>Other attendees</b>	
General Manager	Peter Gainsford
Director Community	Ruth Callaghan
Director Property and Capital Projects	Ryann Midei
Director Planning	Simone Plummer
Acting Director Corporate	Darren Morris
General Counsel	Matthew Pearce
Acting Chief Financial Officer	Sajjad Ali
Manager Financial Partnering and Analysis	Manoj Singh
Acting Senior Manager Transformation	Deepa Desikan
Manager Service Improvement	Fran Simpson
Manager Customer Experience and Innovation	Michael Spikmans
Corporate Strategy and Engagement Manager	Prue Foreman
Acting Chief Information Officer	Steven Thompson
Senior Manager Capital Works	Stuart Hull
Manager Strategic Investments and Property	Scott Mullen
Acting Senior Manager People and Culture	Joan Murphy
Acting Senior Manager Governance and Risk	Julian Sakarai
Risk WHS and Audit Manager	Justin Lucas
Risk Management and Audit Officer (Minute taker)	Ngaire Meekan
Audit Leader for IWC, NSW Audit Office	Chariee Bultitude
Director, Financial Audit, NSW Audit Office	Manuel Moncada
Internal Ombudsman	Elizabeth Renneberg
KPMG - Lead – Internal Audit Partner	Aisling Kilgannon
KPMG - Manager	Adriana Marques
KPMG – Partner F&C Subject Matter Expert	Karl Fredriksen

KPMG – Director Data Subject Matter Expert
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Troy Hutson
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## **ACKNOWLEDGMENT OF COUNTRY**

The Chair acknowledged the traditional custodians of the land on which the meeting took place and paid her respects to elders past, present and emerging.

The Chair, Ilona Meyer, welcomed Committee members and attendees to the meeting.

## **APOLOGIES:**

Apologies from Manod Wickramasinghe – Acting Director Engineering, Chris Sleiman – Chief Financial Officer, Patricia Clive Governance Manager, and Matthew Pearce – General Counsel.

## **DISCLOSURES OF INTERESTS:**

The Chair confirmed that all members had returned their Declarations of Interest. The Committee Members confirmed there were no changes to their disclosures of interests.

Mr Davies declared he is a member of the Fair Work Commission (the Commission) Audit Committee and a conflict may arise should Council be subject to any matters before the Commission. Any potential conflict of interest will be treated on a case by case basis. He is a member of the Willoughby City Council ARIC and is working solely on the Sydney Metro West project, contracted by Turner and Townsend. Turner and Townsend provide Council with Assurance Services on the Leichhardt Park Aquatic Centre. He is not involved in providing these assurance services and has no knowledge of that work performed by Turner and Townsend. He will remain in the discussion during the meeting as there are no conflicts. For the avoidance of doubt, Mr Davies will declare any actual or perceived conflicts every time such may arise consistent with his obligations under the ARIC Terms of Reference and Code of Conduct.

All members confirmed they had no conflicts of interest in relation to any matter before the ARIC.

Items noted to be Taken as Read (with further questions either offline or during the meeting):

- Item 1 ARIC Recommendations and ARIC Annual Workplan for 2024-25 and 2025-26
- Item 6 Governance, Risk, Compliance and Audit (GRCA) Quarterly Report Q3 FY2025
- Item 10 Semi Annual Service Reviews Update
- Item 11 Semi-Annual Customer Service Report
- Item 13 Integrated Planning and Reporting update
- Item 17 Planning for Financial Statements for the Financial Year ending 30 June 2025
- Item 18 Quarterly Investment Properties Update
- Item 19 ARIC Annual Assessment for 2024/2025

## **CONFIRMATION OF MINUTES:**

## **RECOMMENDATION**

That the Minutes of the Audit, Risk and Improvement Committee held on Wednesday, 5 March 2025 be confirmed.

It was noted these were approved out of session by members and adopted by Council on 29 April 2025.

It was noted that actions from the prior meeting were fulfilled out of session, being:

- consultation on and development of the financial year (FY) 2026 internal audit forward plan including meetings between the ARIC Independent Members and the outsourced internal audit provider;
- feedback on the ARIC self-assessment questionnaire; and
- responses to Member questions on the internal audit forward plan.

#### **RIS0525 Item 1 ARIC RECOMMENDATIONS and ARIC Annual Workplan for 2024-25 and 2025-26**

The report was taken as read.

#### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn

Seconded: Chris Davies

Carried

#### **RIS0525 Item 2 General Manager Verbal Update**

#### **DISCUSSION**

The General Manager provided an update on the organisational restructure, highlighting the positive impact of the new structure on key projects and community engagement. The General Manager explained the restructure enables the Director of Planning to focus on the significant work underway in the Planning Directorate, including the launch of Council's Fairer Future Plan, which concentrates new homes around town centres and transport hubs while preserving the area's unique character. The General Manager explained the plan aims to deliver 35,000 new homes within the Inner West Local Government Area over the next fifteen years, and that subject to Council endorsement, the exhibition process will soon commence.

The General Manager discussed other implications of the restructure, and noted the Community Directorate is now the largest in terms of staffing, covering early learning, aquatics, and libraries. He advised the Committee that the restructure will provide additional leadership opportunities and further drive Council's focus on service delivery. He further noted that the creation of the Engineering Directorate will focus on service delivery for the outdoor workforce and improvements to support and drive continuous improvement in work health and safety.

The General Manager then provided an overview of progress of major projects, including the final plan for stage two of Leichhardt Park Aquatic Centre (LPAC), concept plans for Leichhardt Oval, the opening of Camdenville Oval, and the launch of new project management software which will help drive continuous improvement through reporting consistency and supporting project delivery.

The General Manager discussed the budget, noting that Council has a small surplus. He also discussed the Service Excellence continuous improvement program, and the establishment of an internal committee to lead Council's initiatives to apply the Australian Business Excellence Framework to guide and measure progress.

Finally, the General Manager discussed People and Culture and Information and

Communications Technology (ICT) resourcing and work programs and the interrelationships between these functions. He noted that there are significant future planning activities underway, including the development of the workforce management strategy, digital strategy and information governance framework, which will complement Council's focus on cyber resilience and ICT governance.

### RECOMMENDATION

**That Audit, Risk and Improvement Committee receive and note the verbal update.**

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

### RIS0525 Item 3 Internal Ombudsman Shared Service Update

### DISCUSSION

The Internal Ombudsman provided a summary of the report, highlighting the excellent working relationship with Council and the steady utilisation of services. She also mentioned the training provided by the service and the drop in complaints about waste services.

The Internal Ombudsman noted the Quarterly Report includes an overview of ongoing working relationships with all levels of Council, service utilisation by community and Council staff over last 12 months (Inner West slight increase to 34%) and training undertaken by the IOSS for Council which included code of conduct, public interest disclosure awareness and induction of new staff. The Ombudsman noted ongoing collaboration with Council's fraud and corruption control specialists.

The Committee noted trends regarding complaints, the range of Ombudsman services, and status of ongoing investigations. The Committee discussed investigations and trends arising.

### RECOMMENDATION

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

### RIS0525 Item 4 KPMG - Internal Audit Status Update

### DISCUSSION

The Internal Audit Service Partner presented the internal audit plan for the next financial year, which was discussed with directors and management. The plan was prepared with input from Governance and Risk and the IWC Executive and finalised with the ARIC.

The Committee discussed the three internal audit reports tabled to the Committee: Payroll, Fraud and Corruption Control (Part IIB) and the Data Management Health Check.

The Payroll audit focused on payroll processes, controls, and data analytics and made improvement recommendations..

The Fraud and Corruption Control report examined potential conflicts of interest and secondary employment and made recommendations.

The Data Management Health Check focused on customer service data and made improvement recommendations.

The Committee discussed Council's implementation plans in relation to the recommendations arising from each audit report.

### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee**

- 1. Receive and note the report and**
- 2. Adopt the draft FY2026 internal audit forward plan.**

Moved: Chris Davies

Seconded: Belinda Lawn

Carried

### **RIS0525 Item 5 Audit Office of NSW Verbal Update**

#### **DISCUSSION**

The Director Financial Audit AONSW provided an overview of the Auditor General's report on local government, highlighting the financial sustainability challenges and internal control deficiencies across the sector. A copy of this report was provided to the Committee and loaded to the HUB. The Director confirmed that Inner West Council's financial statements and audit was submitted on time and Council received an unqualified audit opinion.

### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the verbal update.**

Moved: Belinda Lawn

Seconded: Chris Davies

Carried

### **RIS0525 Item 6 Governance, Risk, Compliance and Audit (GRCA) Quarterly Report Q3 FY2025**

#### **DISCUSSION**

The report was taken as read.

The Committee discussed delivery of mandatory training and challenges delivering it to casuals and labour hire workers. The Committee inquired in relation to processes at Council to embed policies and procedures following their adoption. The Committee discussed the status of Pecuniary Interest Returns and relevant registers to track and manage a number of governance matters.

The Committee discussed the reporting rhythms for strategic and service area risks, audit actions completion reporting, the ARIC Strategic Work Plan and evidentiary requirements to make the General Managers annual attestation in relation to risk management and internal audit.

#### RECOMMENDATION

1. That Audit, Risk and Improvement Committee receive and note the report.
2. That Audit, Risk and Improvement Committee note the following attachments:
  - (OLG Guidelines) the completion tracker against the General Manager's attestation requirements in relation to risk management and internal audit requirements in the *Local Government (General) Regulations 2021*.
  - (Risk) Strategic Risk Register, the Directorate (Service Area) Operational Risk Registers, and the Preliminary Fraud and Corruption Control Risk Register.
  - (Internal Audit) the closed (completed) audit actions.
  - (BCP/IM) a summary of the rationale for areas judged critical under the BCP.

Moved: Belinda Lawn

Seconded: Chris Davies

Carried

#### RIS0525 Item 7 WHS and Wellbeing Quarterly Report Q3 FY2025

#### DISCUSSION

The report was taken as read. The Risk, WHS and Audit Manager provided an update on WHS matters arising since the date of the report.

The Committee discussed a notifiable incident at the Leichhardt Waste Transfer Station, actions undertaken to prevent its recurrence and improve worker safety including progress refreshing Council's suite of Safe Work Method Statements and like documents governing worker's safe delivery of functions. The Committee discussed the transition to a new safety incident management system.

#### RECOMMENDATION

1. That Audit, Risk and Improvement Committee receive and note the report.

Moved: Chris Davies

Seconded: Belinda Lawn

Carried

#### RIS0525 Item 8 People and Culture - Quarter 3, FY2025

#### DISCUSSION

The Acting Senior Manager People and Culture discussed various initiatives including the authentic leader programme, organisational structural changes and the development of dashboards for key people indicators.

The Committee discussed the draft Workforce Management Strategy and action plans in relation to the People and Culture audit, including the feasibility of delivery.

#### RECOMMENDATION

That Audit, Risk and Improvement Committee receive and note the report.

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

**RIS0525 Item 9 People and Culture Audit Action Plan****DISCUSSION**

The Committee discussed the action plans in relation to the People and Culture audit, including the feasibility of delivery.

**RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

**RIS0525 Item 10 Semi Annual Service Reviews Update****DISCUSSION**

The report was taken as read.

The Committee discussed how Service Reviews relate to other continuous improvement and control assessment activities of Council including internal audits. The Committee discussed how the program of service reviews is developed and how actions arising from the Service Reviews are monitored and completion confirmed.

**RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

**RIS0525 Item 11 Semi-Annual Customer Service Report****DISCUSSION**

The report was taken as read.

**RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

## **RIS0525 Item 12 Semi-Annual ICT Report**

### **DISCUSSION**

The Acting CIO provided an update on ICT initiatives, including the development of a digital strategy, cybersecurity improvements and enterprise architecture strategies.

The Committee discussed the safe and ethical use of AI, data loss prevention tools and a recent cyber security self-assessment.

### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

## **RIS0525 Item 13 Integrated Planning and Reporting update**

### **DISCUSSION**

The report was taken as read.

### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

## **RIS0525 Item 14 Quarterly Major Projects Report**

### **DISCUSSION**

The Director Infrastructure discussed major projects funding and contingency management in relation to specific projects, including the LPAC upgrade and Leichhardt Oval.

The Committee discussed the project reporting framework, reporting initiatives and the project management software implementation.

### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried



**RIS0525 Item 15 Investment Report as at April 2025****DISCUSSION**

The Acting CFO provided an update on the investment portfolio, highlighting the returns and the Council's commitments to non-fossil fuel investments.

The Committee considered the reinvestment of term deposits and Council's aims and strategy given economic and investment indicators. The Committee discussed permissible investments given Council's ethical requirements and how this is managed with the Council and in consultation with the community.

**RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

**RIS0525 Item 16 Quarterly Budget Review Statement (Q3 to March 2025) and 2025/26  
10 Year Long Term Financial Plan and Budget****DISCUSSION**

The Manager Financial Partnering and Analysis presented the quarterly budget review statement. Council's deficit remains as per the previous quarter. Key financial ratios remain constant. Council is undertaking analysis to realign capital works to future years.

The Committee discussed matters relevant to Council's confidence in the receipt of grants, the maintenance of the budget considering forward capital commitments and Council's measures to manage impacts such as potential project cost inflationary pressures.

**RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

**RIS0525 Item 17 Planning for Financial Statements for the Financial Year ending 30  
June 2025****DISCUSSION**

The report was taken as read. The Committee, Council and members of the NSW Audit Office considered and discussed the plan and its resourcing.

**RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn

Seconded: Chris Davies  
Carried

#### **RIS0525 Item 18 Quarterly Investment Properties Update**

##### **DISCUSSION**

The report was taken as read.

##### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the report.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

#### **RIS0525 Item 19 ARIC Annual Assessment for 2024/2025**

##### **DISCUSSION**

The report was taken as read. The ARIC noted the timing of the survey and that new members have six months experience considering the ARIC in operation and on that basis will complete the survey. Former members' input will be sought for the first six months of the ARIC's operations within the financial year period of the survey.

##### **RECOMMENDATION**

- 1. That Audit, Risk and Improvement Committee members adopt the attached survey, which is to be issued to present and past ARIC members and attendees, requesting the survey be undertaken by the end of financial year 2024-25.**
- 2. That ARIC recommend a report on the survey be made to the 27 August 2025 ARIC meeting.**

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

#### **General Business**

Committee members undertook to send offline further questions for response by Council prior to the next meeting to the Risk, WHS and Audit Manager.

The draft Minutes of the meeting will be circulated out of session to members for approval.

Meeting closed at **4.30 pm**.

#### **CHAIRPERSON**