

**Minutes of Meeting 5 March 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
Independent Member	Vacant
<b>Other attendees</b>	
General Manager	Peter Gainsford
Director Community	Ruth Callaghan
Director Infrastructure	Ryann Midei
Director Planning	Simone Plummer
Acting Director Corporate	Chris Sleiman
General Counsel	Matthew Pearce
Acting Chief Financial Officer	Sajjad Ali
Governance Manager	Patricia Clive
Corporate Strategy and Engagement Manager	Prue Foreman
Risk WHS and Audit Manager	Justin Lucas
Risk Management and Audit Officer (Minute taker)	Ngaire Meekan
Manager Strategic Investments and Property	Scott Mullen
Acting Senior Manager People and Culture	Joan Murphy
Financial Partnering and Analysis	Manoj Singh
Acting Senior Manager Governance and Risk	Julian Sakarai
Audit Leader for IWC, NSW Audit Office	Chariee Bultitude
KPMG - Lead – Internal Audit Partner	Aisling Kilgannon
Director, Financial Audit, NSW Audit Office	Manuel Moncada
Internal Ombudsman	Elizabeth Renneberg
KPMG - Manager	Jason Scott
KPMG – Partner Payroll Subject Matter Expert	Yu Zhai

**ACKNOWLEDGMENT OF COUNTRY**

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

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

The Chair welcomed the two new ARIC independent members, Belinda Lawn and Chris Davies, appointed by Council on 18 February 2025. Each new member introduced themselves to the attendees.

**APOLOGIES:**

Apologies from Cllr Philippa Scott, Council member of ARIC and from Beau-Jane De Costa, Acting Director Corporate.

**DISCLOSURES OF INTERESTS:**

The Chair noted the two new members have both provided their Conflict of Interest Disclosure Form and Disclosure of Pecuniary Interests Forms.

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.

The balance of Committee Members confirmed there were no changes to their disclosures of interests.

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

**CONFIRMATION OF MINUTES:****RECOMMENDATION**

That the Minutes of the Audit, Risk and Improvement Committee held on Friday, 6 December 2024 be confirmed.

It was noted these were approved out of session by members on 23 December 2024.

**RIS0325 Item 1 ARIC Recommendations (Action Items), ARIC Annual Workplan 2024-2025 and 2025 ARIC Meeting Dates****DISCUSSION**

The Risk WHS and Audit Manager discussed the proposed meeting dates for 2025 and noted the timing of the meeting to review draft financial statements and the need for flexibility around the draft financial statements review period.

The Risk WHS and Audit Manager gave an overview of the ARIC Recommendations tracker and updated the Committee on expected completion dates for open items. The Committee noted the majority of action items relate to the prior meeting in December 2024 and the process for tracking and monitoring actions to closure.

The Committee referred to the Annual Work Plan status and noted the ARIC Annual Report was presented to Council at its first meeting in February 2025, so has received in writing the required information on ARIC operations. Councillor workshops for the new Council term have prioritised Mandatory Councillor induction matters, and the forward workshop program will scheduled ARIC chair presentations twice a year. The Annual Work Plan Status Report will be updated to reflect this update.

The Committee discussed scheduling of action items and noted typing errors which will be corrected for the Recommendations and Work Plan report tracking.

## **RECOMMENDATION**

- 1. That the Audit, Risk and Improvement Committee receive and note the Report.**
- 2. That Audit, Risk and Improvement Committee endorse the proposed 2025 meeting dates being:**
  - **5 March 2025 (this meeting)**
  - **21 May 2025**
  - **27 August 2025**
  - **10 October 2025 (extraordinary – draft financial statements)\***
  - **26 November 2025.**

Moved: Chris Davies

Seconded: Belinda Lawn

Carried

## **RIS0325 Item 2 General Manager Verbal Update**

## **DISCUSSION**

The General Manager provided an overview of significant projects, including Leichhardt Oval restoration, Leichhardt Park Aquatic Centre, and the GreenWay. He discussed Council's budget planning, policies going on exhibition for Council, and provided an update on the Local Environmental Plan being developed in 2025.

The General Manager provided an update on changes to the Organisation Structure to support Council's strategic direction. These changes were endorsed by Council at the 18 February 2025 Council Meeting.

The General Manager provided an overview of the change management and staff engagement plans in place for the implementation of the organisation structure change.

## **RECOMMENDATION**

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

Moved: Belinda Lawn

Seconded: Chris Davies

Carried

### **RIS0325 Item 3 Internal Ombudsman Shared Service Update**

#### **DISCUSSION**

The Internal Ombudsman referred to the Quarterly Report.

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 Committee noted trends regarding complaints, the range of Ombudsman services, and status of ongoing investigations. The Committee discussed different complaint types across the different Councils. More recent prevention activity has included working with Council's newly appointed Fraud & Corruption Specialist and (prompted by an issue experienced at another Council) the adoption by Council of further prevention measures.

The Committee discussed the structure of the Shared Service Ombudsman model (with Paramatta and Cumberland Council) and, responding to Committee queries regarding capacity, the Ombudsman gave an overview of its staffing and resourcing and the role of outsourcing if required. The Ombudsman explained how it flexibly manages prevention activities versus investigation responsibilities, across the three Councils and their communities.

The Committee noted the differing service delivery models across the three Councils. All typically have Regulatory Services featuring highly in customer contacts. Other similarities include administration of functions like grants and in relation to conflicts, areas of risk or exposure to fraud or corruption and policies for management of child safety.

The Committee noted that Council has a complaints coordinator within the Corporate Directorate, handling complaints that do not go to the Ombudsman.

The ARIC confirmed a correction to the covering report to the IOSS report.

#### **RECOMMENDATION**

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

Moved Belinda Lawn

Seconded: Chris Davies

Carried

### **RIS0325 Item 4 KPMG - Internal Audit Status Update**

#### **DISCUSSION**

The KPMG Internal Audit Partner referred to the December 2024 Status Update Report which included current topics of discussion in local government.

The People & Culture functions internal audit report findings and recommendations were presented in detail by the Internal Audit Partner. The Committee discussed the findings and risk ratings. Committee discussed Council's service delivery model and workforce profile, the plan of action for audit findings and the development of the workforce management strategy as part of the new Council term requirements.

The Payroll Leave internal audit report findings and recommendations were presented in detail by the Internal Audit Partner and Partner Payroll Subject Matter Expert. The Committee discussed system configuration, the impact of manual processes and requirements for implementing actions.

The Committee noted its thanks and noted this was a proactive request from the Finance team and this is to be commended.

Committee discussed internal audit planning.

## **RECOMMENDATION**

- 1. That Audit, Risk and Improvement Committee receive and note the report.**
- 2. That Audit, Risk and Improvement Committee note a plan and timeframes for the completion of audit actions (and remediation plan) in relation to the People and Culture and Payroll Leave audit will be reported to the May 2025 ARIC meeting.**
- 3. That Audit, Risk and Improvement Committee recommend that People and Culture reporting to ARIC be undertaken quarterly and the ARIC Annual Work Plan be amended accordingly.**

Moved Chris Davies  
 Seconded: Belinda Lawn  
 Carried

## **RIS0325 Item 5 Audit Office of NSW Verbal Update**

### **DISCUSSION**

The Audit Manager referred to the Annual Engagement Plan (AEP) for the year ending 2025.

The Audit Manager outlined the scope of the audit, including the general purpose financial statements and various acquittals, and highlighted key areas of focus such as fair value assessment, key Council Projects and IT and cyber security reviews.

The Committee noted the AEP for the year ending 2025 was provided to members as a separate report to the Agenda.

The Committee noted the audit timetable, including timings to coordinate with management to meet reporting obligations and ensure sufficient time for the ARIC to review audit results before management sign-off.

### **RECOMMENDATION**

**That Audit, Risk and Improvement Committee receive and note the verbal update and Annual Engagement Plan for the year ending 2025.**

Moved Belinda  
 Seconded: Chris Davies  
 Carried

**RIS0325 Item 6 Governance, Risk, Compliance and Audit Quarterly Report (Q2 FY2024-25)**

**DISCUSSION**

Acting Senior Manager Governance and Risk referred to the paper and it was taken as read.

The Committee noted the update on training completion rates, policy reviews, and the unauthorised disclosure of customer information. The Committee considered the ongoing review of operational management standards and policies, which focus on ensuring compliance and addressing high-risk areas.

The Committee discussed:

- monitoring and escalation of mandatory training completions and delivery channels options: such as online or face to face training
- Business Continuity Planning including the identification of business critical functions and practical testing arrangements
- the lessons from Operation Hector and
- audit actions monitoring and processes to verify completion and document evidence consistent with international internal audit practice standards.

**RECOMMENDATION**

**That the Audit, Risk and Improvement Committee receive and note the quarterly risk, compliance and audit report.**

Moved: Belinda Lawn  
 Seconded: Chris Davies  
 Carried

**RIS0325 Item 7 Work Health and Safety and Wellness Quarterly Report (Q2-FY2025)**

**DISCUSSION**

The Risk WHS and Audit Manager referred to the paper and it was taken as read.

The Committee noted the adoption of key policies, the reinvigoration of the function with updated operational management standards and procedures alongside WHS officer engagement across the service areas and high risk activities in operations.

The Committee discussed the importance of addressing the exposure in a range of WHS events.

**RECOMMENDATION**

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

Moved: Belinda Lawn  
 Seconded: Chris Davies  
 Carried

**RIS0325 Item 8 Legal Team Report on Updates to Council**

**DISCUSSION**

The General Counsel referred to the paper and it was taken as read.

The Committee noted the management of legal matters and circumstances for external expert engagement.

**RECOMMENDATION**

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

Moved Chris Davies  
Seconded: Belinda Lawn  
Carried

**RIS0325 Item 9 Integrated Planning and Reporting update**

**DISCUSSION**

The Corporate Strategy and Engagement Manager referred to the paper and it was taken as read.

**RECOMMENDATION**

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

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

**RIS0325 Item 10 Quarterly Major Projects Report**

**DISCUSSION**

The Director Infrastructure referred to the paper and it was taken as read.

The Committee noted the individual projects and budgets status. Discussion included lessons learnt from other Councils undertaking capital projects particularly swimming pool restorations and building, and measures to provide project assurance and manage and respond to potential latent conditions on capital projects.

**RECOMMENDATION**

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

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

**RIS0325 Item 11 Investment Report as at 31 January 2025****DISCUSSION**

The Acting Director Corporate referred to the paper and it was taken as read.

The Committee discussed matters including levels of working capital, asset allocation and term to maturity of the investment portfolio.

**RECOMMENDATION**

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

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

**RIS0325 Item 12 Quarterly Budget Review Statement (Q2 to December 2024)****DISCUSSION**

The Acting Director Corporate referred to the paper and it was taken as read.

**RECOMMENDATION**

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

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

**RIS0325 Item 13 Corporate Credit Card Policy is in accordance with Office of Local Government Guidelines****DISCUSSION**

The Acting Chief Financial Officer referred to the paper and it was taken as read.

**RECOMMENDATION**

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

Moved: Chris Davies  
Seconded: Belinda Lawn  
Carried

**RIS0325 Item 14 Planning for Financial Statements for the Financial Year ending 30 June 2025****DISCUSSION**

The Acting Chief Financial Officer referred to the paper and it was taken as read.

## RECOMMENDATION

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

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

## RIS0325 Item 15 Quarterly Investment Properties Update

### DISCUSSION

The Strategic Investments and Property Manager referred to the paper and it was taken as read. The update included

The Committee were interested in understanding commercial property investment in Local Government and noted leasing status and planned capital works at sites.

### RECOMMENDATION

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

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

## RIS0325 Item 16 Review of ARIC Terms of Reference (TOR) and Internal Audit Charter

### DISCUSSION

The Risk WHS and Audit Manager referred to the paper and it was taken as read.

The Committee noted Council undertook a review of the ARIC Terms of Reference and Internal Audit Charter with the revised documents aligning to the OLG mandatory requirements and adopted by Council on 9 April 2024. The Committee noted there have been subsequent updates and enhancements in 2024.

The Committee discussed the Internal Audit Plan FY2025 and areas of potential focus in FY2025 and noted the internal audit program is complemented by service reviews (conducted internally and externally).

### RECOMMENDATION

1. **That Audit, Risk and Improvement Committee (ARIC) note the ARIC Terms of Reference and Internal Audit Charter have been reviewed and no changes are recommended.**
2. **That Audit, Risk and Improvement Committee (ARIC) note the Internal Audit Universe attachment to the Internal Audit Charter will need to be aligned to a new organisational structure and the FY2026 Forward Plan for Internal Audits will need to be adopted, at the next meeting.**

Moved: Belinda Lawn  
Seconded: Chris Davies  
Carried

**RIS0325 Item 17 ARIC Annual Assessment for 2024/2025****DISCUSSION**

The Risk WHS and Audit Manager referred to the paper and it was taken as read. The update included an overview of the prior years' methodology including the Self-Assessment Survey. The Manager provided the context for assessment of the new Committee over the Council term and whether the existing survey template requires adaption.

The Committee discussed reviewing the prior survey, options for seeking feedback, and establishing a baseline of expectations for the new Committee

**RECOMMENDATION**

**That Audit, Risk and Improvement Committee members undertake a review of the self-assessment survey as a tool to establish a baseline of expectations of and for the new Committee, by end of March 2025, to enable a discussion about this method for continuous improvement to be held at the May 2025 ARIC meeting.**

Moved Chris Davies  
Seconded: Belinda Lawn  
Carried

**General Business**

No matters were raised.

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

Meeting closed at **5:09pm**.