

**Minutes of Audit, Risk and Improvement Committee Meeting held on 17 August 2022
via Microsoft Teams**

Meeting commenced at 5.36 pm

Prior to the meeting the Audit Risk & Improvement Committee Members met in-camera.

PRESENT

Audit Risk & Improvement Committee Members	
Independent Member - Chair	John Gordon
Independent Member	Emily Hodgson (entered meeting at 5.52pm)
Independent Member	Heather Smith
Councillor	Clr Philippa Scott
Other attendees	
General Manager	Peter Gainsford
Director Corporate	Kelly Loveridge
Director Planning	Simone Plummer
Director Community	Ruth Callaghan
Acting Director Infrastructure	Manod Wickramasinghe
Senior Manager Governance and Risk	Beau-Jane De Costa
Manager Risk and Audit	Justin Lucas
Chief Financial Officer	Daryl Jackson
Financial Partnering & Analytics Manager	Chris Sleiman
Acting Chief Information Officer	Sasha Sutarov
IT Business Solutions Manager	Steve Thompson
Senior Manager Business Excellence and Customer Experience	Melanie Gurney
Business Paper Coordinator - Minute Taker	Katherine Paixao
Engagement Partner, EY	Melissa Broadhead
EY	Niyati Aggarwal
Audit Office	Casey Malone
Audit Office	David Daniels
Internal Ombudsman	Elizabeth Renneberg
Assistant Internal Ombudsman	Dhamendra Unka
Mayor	Clr Darcy Byrne
Councillor	Clr John Stamolis

ACKNOWLEDGMENT OF COUNTRY

The chairperson acknowledged the traditional custodians of the lands on which the meeting took place both physically and virtually and paid his respects to elders past, present and emerging.

APOLOGIES:

Apologies were received from Cllr Liz Atkins.

The chair, John Gordon welcomed Kelly Loveridge, Director Corporate and Justin Lucas, Manager Audit and Risk to their first meeting.

Beau-Jane De Costa introduced everyone in attendance to the Committee.

DISCLOSURES OF INTERESTS:

Cllr Philippa Scott disclosed that in relation to Item 6 Major Projects Update which contains information on Henson Park Grandstand Redevelopment, she is on the Sydney Eastern City Planning Panel which will make the ultimate decision on the redevelopment. As the item is for noting, she does not believe she needs to leave the meeting for the item.

Heather Smith noted that she submitted to Council her annual disclosure statement.

The Chair, John Gordon noted that he submitted to Council his annual disclosure statement.

CONFIRMATION OF MINUTES:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on Wednesday, 8 June 2022 be confirmed subject to the following amendment:

- **Correcting an error in Item 2 Draft De-Amalgamation Business Case for Inner West Council, under discussion paragraph 4 changing 'electric' to 'electoral'.**

Moved: Heather Smith

Seconded: Cllr Philippa Scott

Carried

Emily Hodgson entered the meeting at 5.52pm

GENERAL MANAGER'S REPORTS**RIS0822(1) Item 2 EY - Internal Audit Status Report****DISCUSSION**

Melissa Broadhead from EY provided a high level summary on the Procurement for Capital Projects Audit and Budgeting and Forecast Internal Audit.

RECOMMENDATIONS**That the Audit, Risk and Improvement Committee:**

- 1. Receive and note the report; and**
- 2. Receive an example of a Financial Assessment Performance report from Procurement at a future meeting.**

Moved: Cllr Philippa Scott

Seconded: Emily Hodgson

Carried

RIS0822(1) Item 3 Late Item - Comprehensive Risk Analysis of the De-amalgamation**DISCUSSION**

Melissa Broadhead from EY provided a summary of the Risks identified within the report in relation to the De-Amalgamation process.

The Chair, John Gordon identified potential additional risks for consideration by management.

The Senior Manager Governance and Risk provided clarity on the intent and extent of the report.

RECOMMENDATIONS**That the Audit, Risk and Improvement Committee:**

- 1. Note the Inner West Council Demerger Risk Assessment review undertaken by EY and the identification of risks within the report;**
- 2. Propose that Council management consider the other risks raised during the meeting; and**
- 3. Recommend that the EY report be updated to include the intent of the report and also the initial proposed way forward.**

Moved: Cllr Philippa Scott

Seconded: Heather Smith

Carried

RIS0822(1) Item 1 General Manager Verbal Update

DISCUSSION

Peter Gainsford, General Manager gave a verbal update to the Committee as summarised below:

Council has adopted the 2022/2023 budget with a minor deficit of \$744,000 for the current financial year noting the predicted surplus into every year after.

Council will be purchasing a Commercial property to assist with rental income which will supplement operational expenditure. A buyer’s agent has been engaged to help identify appropriate properties.

Recruitment on the vacant Director Infrastructure position is near completion.

The Authentic Leader Program has commenced for the first 100 staff in the organisation. This program is due to be completed by December 2022.

There is a strong focus in the organisation on improving Customer Service.

A report on the De-amalgamation business case will go to the September Council meeting.

More Community Engagement has been occurring face to face since Covid-19 restrictions have lifted. Many community members are attending which is a positive.

Mental Health First Aid training has been rolled out to 90 staff who have now received Mental Health Awareness accreditation.

The Work, Health and Safety (WHS) team have recently launched Safety Vault where all staff can self-report any WHS incidents, near misses and safety risks.

Also recently launched is better field base reporting where outdoor staff can report on asset defects and faults.

RECOMMENDATION

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

Moved: Heather Smith
 Seconded: Emily Hodgson

Carried

RIS0822(1) Item 4 Internal Ombudsman Shared Service Update

DISCUSSION

Elizabeth Renneberg from the Internal Ombudsman Shared Service (IOSS) introduced Dhamendra Unka the new Assistant Internal Ombudsman who commenced in June 2022 to the Committee.

Elizabeth Renneberg highlighted the Quarterly IOSS report.

Over the last 12 months, Inner West Council have used the IOSS 32%. The percentages of the activities that the IOSS have provided for Inner West in the last 12 months are: 76% reactive which dealt with complaints; 24% proactive; relating to prevention activities with advice and policy review; and 9% education.

In the Public Interest Disclosure (PID) reporting period from January 2022 to June 2022, no PIDs were received or closed.

There have been changes made to *the Public Interest Disclosure Act* which comes into effect in October 2023. The IOSS will ensure relevant staff are trained on these changes.

ICAC has released a workplace investigation guide. The IOSS will prepare training to People and Culture staff.

The IOSS Annual Report is being prepared and will be available at the next ARIC meeting.

RECOMMENDATION

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

Moved: Heather Smith
Seconded: Cllr Philippa Scott

Carried

RIS0822(1) Item 5 Risk Management and Internal Audit Quarterly Report

DISCUSSION

Beau-Jane De Costa, Senior Manager Governance and Risk introduced Justin Lucas, Manager Risk and Audit to the Committee.

Beau-Jane De Costa and Justin Lucas provided a high level summary on the progress of the Audit and ARIC resolutions.

Recruitment in Governance and Risk team is near completion with key roles of Manager Risk and Audit, Governance Coordinator and Governance Officer being recruited.

The Risk Management framework is currently under review.

RECOMMENDATIONS

That the Audit, Risk and Improvement Committee:

- 1. Receive and note the Audit resolutions and ARIC resolutions identified and attached to the report;**
- 2. Receive and note the significant work and progress made in making Inner West Council one of the Leading NSW councils in Procurement as found by the recent ArcBlue Procurement Services Review (Attachment 2); and**

3. Receive a report at the next ARIC meeting with a summary of Outstanding Recommendations which are ‘high’ and ‘medium’ that are overdue.

Moved: Clr Philippa Scott
 Seconded: Emily Hodgson

Carried

RIS0822(1) Item 6 Major Projects Update

DISCUSSION

Manod Wickramasinghe, Acting Director Infrastructure gave an overview on Major Projects. Since June 2022, the Henson Park Grandstand Redevelopment has been added to the Major Projects list. A Private Public Partnership on the Henson Park Grandstand Redevelopment is being prepared for approval by the Office of Local Government.

Key risks facing the Major Projects are intermittent weather and shortage of materials

RECOMMENDATION

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

Moved: Heather Smith
 Seconded: Emily Hodgson

Carried

RIS0822(1) Item 7 TechnologyOne Customer Request Management (CRM) System Update

DISCUSSION

Sasha Sutarov, Acting Chief Information Officer, Steven Thompson, IT Business Solutions Manager and Melanie Gurney, Senior Manager Business Excellence and Customer Experience gave an overview on the CRM system. Some enhancements to TechOne will be available later this year after the annual upgrade which will address some of the existing CRM limitations.

RECOMMENDATIONS

That the Audit, Risk and Improvement Committee:

- 1. Receive and note the report;**
- 2. Receive a report at a future ARIC meeting with an update on CRM; and**
- 3. Receive the feedback on CRM from the community survey undertaken in 2021.**

Moved: Clr Philippa Scott
 Seconded: Emily Hodgson

Carried

RIS0822(1) Item 9 Update on ICT Security

DISCUSSION

Sasha Sutarov, Acting Chief Information Officer identified the key areas of report, including:

The rollout of Multi-Factor Authenticator to all staff and the Cyber Security Awareness Program being adopted as of July 2022. To date, 670 staff have completed training and the remaining staff will complete training by December 2022.

RECOMMENDATION

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

Moved: Heather Smith
 Seconded: Cllr Philippa Scott

Carried

RIS0822(1) Item 8 Customer Service Update

DISCUSSION

Melanie Gurney, Senior Manager Business Excellence and Customer Experience provided a summary on Customer Service. Council is building a culture of improving customer experience. A customer experience strategy is also being established.

A performance dashboard on customer requests has also been recently launched.

RECOMMENDATION

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

Moved: Cllr Philippa Scott
 Seconded: Emily Hodgson

Carried

RIS0822(1) Item 10 Child Safe Standards Update

DISCUSSION

Ruth Callaghan, Director Community gave a high level update on the Child Safe Standards progress including Council's approach to the requirements.

RECOMMENDATION

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

Moved: Heather Smith
Seconded: Emily Hodgson

Carried

**RIS0822(1) Item 11 Investment Strategy & Portfolio Review 2021/22 and
RIS0822(1) Item 12 Investment Report at 30 June 2022**

DISCUSSION

Daryl Jackson, Chief Financial Officer gave a high level summary of the Investment Strategy and the Investment Report for 30 June 2022.

RECOMMENDATION

That the Audit, Risk and Improvement Committee receive and note both reports.

Moved: Emily Hodgson
Seconded: Cllr Philippa Scott

Carried

**RIS0822(1) Item 13 Community Strategic Plan 2036, Delivery Program 2022-26,
Operational Plan And Budget 2022/23, Long Term Financial Plan
2022-32.**

DISCUSSION

Chris Sleiman, Financial Partnering & Analytics Manager presented a high level summary of the adopted budget including a presentation.

RECOMMENDATION

That the Audit, Risk and Improvement Committee receive and note the adopted documents.

Moved: Cllr Philippa Scott
Seconded: Emily Hodgson

Carried

General Business

DISCUSSION

There has been a process to select new ARIC independent members. A report to approve the recommended candidate will go to Council.

The Committee and Council Management thanked Emily Hodgson for her service and knowledge given to the Audit, Risk and Improvement Committee for the past 8 years at Ashfield Council and Inner West Council.

The Fair Value Assessment has been submitted to the Audit Office of NSW and is on schedule to receive the financial statements by 12 September 2022.

Next meeting – 19 October 2022, 5.30pm – Financial Statements

Meeting closed at 8.46pm.