

Minutes of Meeting

Meeting commenced at 2:30pm

On Wednesday 20 March 2024 at 2pm the Audit, Risk and Improvement Committee (ARIC or Committee) met in-camera.

PRESENT

Audit Risk & Improvement Committee Members	
Independent Member – Acting Chair	Ilona Meyer
Independent Member	Mark Sercombe
Independent Member	Vacant
Councillor	Clr Liz Atkins
Councillor	Clr Philippa Scott
Other attendees	
General Manager	Peter Gainsford
Director Corporate	Kelly Loveridge
Director Planning	Simone Plummer
Director Community	Ruth Callaghan
Director Infrastructure	Ryann Midei
Acting Chief Financial Officer	Chris Sleiman
Financial Reporting and Control Manager	Aigul Utegenova
Team Leader Financial Analysis	Ramani Sathananthan
Senior Manager Customer Experience and Service Transformation	Melanie Gurney
Manager Service Improvement	Francesca Simpson
Acting Chief Technology Officer	Sasha Sutarov
Manager Strategic Investments and Property	Scott Mullen
Corporate Strategy and Engagement Manager	Prue Foreman
Senior Manager Governance and Risk	Beau-Jane De Costa
Risk WHS and Audit Manager	Justin Lucas
Risk and Audit Officer – Minute taker	Ngaire Meekan
Director, Financial Audit, NSW Audit Office	Manuel Moncada
Audit Leader for IWC, NSW Audit Office	Chariee Bultitude
KPMG	Aisling Kilgannon
KPMG	Gergana Winzer
KPMG	Jason Scott
Internal Ombudsman	Elizabeth Renneberg
Observer	Clr John Stamolis
Acting Chief Technology Officer	Sasha Sutarov

ACKNOWLEDGMENT OF COUNTRY

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

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

APOLOGIES:

Apologies from Stuart Hull, Senior Manager Capital Works

DISCLOSURES OF INTERESTS:

The 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 Wednesday, 22 November 2023, that were adopted by the ARIC out of session on 27 November 2023 and by Council at the meeting held on 5 December 2023. Accordingly, they will be signed by the Acting Chair, per the Terms of Reference for the Committee.

Moved: Clr Scott
Seconded: Clr Atkins

Carried.

RIS0324 Item 1 General Manager Verbal Update

DISCUSSION

The General Manager provided an update to the Committee in relation to Council election preparations, budgetary planning, and the recent release of the Local Government Boundaries Commission report and recommendations. He provided an outline of the strong advocacy undertaken for public health and safety in relation to contaminated mulch in Rozelle Parklands.

RECOMMENDATION

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

Moved: Clr Scott
Seconded: Clr Atkins

Carried

RIS0324 Item 2 Internal Ombudsman Shared Service Update**DISCUSSION**

The Internal Ombudsman, Elizabeth Renneberg, referred to the paper and it was taken as read. The Committee noted the appointment of Sarah Labone as Deputy Internal Ombudsman. The Internal Ombudsman fielded queries on complaint trends and response service levels.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Clr Atkins

Carried.

RIS0324 Item 3 KPMG - Internal Audit Status Update**DISCUSSION**

KPMG Partners Aisling Kilgannon and Gergana Winzer referred to the paper and it was taken as read. The Committee noted the two completed internal audits in relation to Records Management and Cyber Security and the progress of two other internal audits underway.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Clr Scott

Carried.

RIS0324 Item 4 NSW Audit Office**DISCUSSION**

Manuel Moncada, Director, Financial Audit, NSW Audit Office and Chariee Bultitude, Audit Leader for IWC, NSW Audit Office presented to the Committee on a paper tabled to the Committee being the NSW Audit Office Inner West Council - Annual Engagement Plan 2024.

RECOMMENDATION

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

Moved: Clr Atkins

Seconded: Clr Scott

Carried.

RIS0324 Item 5 Service Review Update**DISCUSSION**

The Manager Customer Experience, Fran Simpson, referred to the paper and it was taken as read. The Committee discussed the framework's development and the progress of service reviews.

RECOMMENDATION

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

Moved: Clr Atkins

Seconded: Clr Scott

Carried.

RIS0324 Item 6 – Was agreed to be moved for discussion post item 12**RIS0324 Item 7 Quarterly Major Projects Report****DISCUSSION**

The Director Infrastructure, Ryann Midei, referred to the paper and it was taken as read. The Director Infrastructure gave an overview on Major Projects. The Committee discussed various projects, grants and project reporting on risk management.

RECOMMENDATION

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

Moved: Clr Scott

Seconded: Clr Atkins

Carried.

RIS0324 Item 8 Investment Report as at January 2024**DISCUSSION**

The Acting Chief Financial Officer, Chris Sleiman referred to the paper and it was taken as read. The Committee noted current funding opportunities.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Clr Atkins

Carried.

RIS0324 Item 9 Quarterly Budget Review Statement (Q2 to December 2023)**DISCUSSION**

The Acting Chief Financial Officer, Chris Sleiman referred to the paper and it was taken as read. The Committee discussed the report and trends in relation to specific expense categories.

RECOMMENDATION

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

Moved: Ilona Meyer

Seconded: Mark Sercombe

Carried.

RIS0324 Item 10 Planning for Financial Statements for the Financial Year ending 30 June 2024**DISCUSSION**

The Acting Chief Financial Officer, Chris Sleiman referred to the paper and it was taken as read. The timetable for the current financial year will build on the significant planning developed in 2023 and the Committee's responsibilities and consideration of the annual financial statements.

The Committee noted its thanks to Aigul Utegenova for her contribution maturing Council's preparation processes for the issue of financial statements.

RECOMMENDATION

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

Moved: Clr Scott

Seconded: Mark Sercombe

Carried.

RIS0324 Item 11 Asset Revaluations for the financial year Ending 30 June 2024**DISCUSSION**

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

The Committee noted the scheduling of asset category revaluations.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Ilona Meyer

Carried.

RIS0324 Item 12 Quarterly Investment Properties Update**DISCUSSION**

The Strategic Investments and Property Manager, Scott Mullen referred to the paper and it was taken as read.

RECOMMENDATION

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

Moved: Clr Atkins

Seconded: Mark Sercombe

Carried.

RIS0324 Item 6 Q2 Report - Progress report on the Delivery Program 2022-26 and Operational Plan 2023/24; and update on the development of the Operational Plan 2024/25**DISCUSSION**

The Corporate Strategy and Engagement Manager, Prue Foreman referred to the paper and it was taken as read. The Committee noted that 94% of actions are on track and 75% of measures are on target or within the tolerance level.

RECOMMENDATION

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

Moved: Ilona Meyer

Seconded: Clr Atkins

Carried.

RIS0324 Item 13 Quarterly Risk Management Report**DISCUSSION**

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read.

The Committee noted the significant progress achieved in respect of Council's risk management maturity and the steps being implemented to progress the reinvigoration. The Committee discussed the basis of risk ratings and steps being undertaken to mitigate and control the risks.

RECOMMENDATION

That the Audit, Risk and Improvement Committee (ARIC) note:

- a) the Strategic Risk Register's assessment of 'residual risk' as at February 2024;**
- b) the Strategic Risk Register's new 'Future Controls';**
- c) the progress report against the Risk Implementation Plan;**
- d) fraud and corruption control initiatives; and**
- e) the governance team and project interim update.**

Moved: Clr Scott

Seconded: Ilona Meyer

Carried.

RIS0324 Item 14 ARIC and Internal Audit Reporting Requirements

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read. The Committee discussed the report on the internal audit function and the internal audit update from KPMG, and the draft FY25 internal audit plan. The Committee discussed measures to improve the readability of certain of the reports.

RECOMMENDATION

That the Audit, Risk and Improvement Committee:

- a. Note the report on the Internal Audit function (which should be read in conjunction with separate Agenda Item 3 Internal Audit Update, from KPMG)**
- b. Approve the changes to the 2024 ARIC Forward Agenda**
- c. Note the progress report on internal audit actions and ARIC recommendations**
- d. Approve the draft FY25 Internal Audit Plan and note the proposed FY26 Internal Audit Plan proposed by Council's internal audit service provider, KPMG.**

Moved: Ilona Meyer

Seconded: Clr Scott

Carried.

RIS0324 Item 15 Draft ARIC Terms of Reference (TOR) and Draft Internal Audit Charter

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read. The Committee discussed the statutory changes and implementation strategies being implemented by Governance and Risk to ensure Council’s compliance with the Office of Local Government requirements.

RECOMMENDATION

That the Audit, Risk and Improvement Committee (ARIC) recommend Council adopt the:

- 1. draft Internal Audit Charter (draft Charter) and**
- 2. draft ARIC Terms of Reference (draft TOR).**

Moved: Ilona Meyer

Seconded: Mark Sercombe

Carried.

RIS0324 Item 16 Report on Committee Self Assessment for 2023 and Update on ARIC recruitment

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read. The Committee discussed the self-assessment and proposals for continuous improvement of ARIC operations, in light of the prior Item 15 draft Internal Audit Charter and draft ARIC Terms of Reference.

RECOMMENDATION

That Audit, Risk and Improvement Committee receive and note the report and provide any feedback or improvement ideas on ARIC operations.

Moved: Clr Scott

Seconded: Clr Atkins

Carried.

Meeting closed at 4.59 pm.

Meeting Minutes were approved by the Committee Out of Session on 25 March 2024

CHAIRPERSON