

**Minutes of Audit, Risk and Improvement Committee Meeting held on 2 September 2020
via Microsoft Teams**

Meeting commenced at 5.34pm

PRESENT

Audit Risk & Improvement Committee Members	
Independent Member - Chair	John Gordon
Independent Member	Emily Hodgson
Independent Member	Heather Smith
Councillor	Clr Louise Steer (5.40pm)
Other attendees	
Chief Operating Officer, Director Development and Recreation (COO)	Elizabeth Richardson
Acting Director City Living	Michael Daly
Director Infrastructure	Cathy Edwards-Davis
Chief Financial Officer (CFO)	Daryl Jackson
Chief Information Officer (CIO)	Harin Perera
ICT Infrastructure Manager	Sasha Sutarov
Senior Manager Business Excellence, Risk, WHS and Customer Service	Peter Livanes
Coordinator Internal Audit and Business Continuity Management	Elvira Musolino
Governance Coordinator - Minute Taker	Katherine Paixao
CFS Resource & Support Officer	Sybill Bauer
Acting Senior Manager Children Services	Lisa Caridi
Engagement Partner, EY	Melissa Broadhead
Engagement Manager, EY	Paulette Pang
Audit Office	Caroline Karakatsanis
Audit Office	Rochele Antolin
Internal Ombudsman	Suellen Bullock
Assistant Internal Ombudsman	Elizabeth Renneberg

ACKNOWLEDGMENT OF COUNTRY

The chairperson acknowledged the traditional owners of the Land on which the meeting took place and paid his respects to elders past and present.

APOLOGIES:

Apologies were received from Councillor Lucille McKenna OAM.

DISCLOSURES OF INTERESTS:

John Gordon declared a conflict of interest regarding Item 7 Internal Audit Quarterly Report as he is on the Audit and Risk Committee for the Department of Education.

CONFIRMATION OF MINUTES: (Heather/Emily)

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on Wednesday, 22 July 2020 be confirmed.

Carried unanimously

Councillor Louise Steer entered the meeting at 5.40pm.

The chairperson acknowledged that it's the Coordinator Internal Audit and Business Continuity Management last day is tomorrow and thanked her for all her work with the ARIC and wished her well in her future adventures.

CHIEF EXECUTIVE OFFICER'S REPORTS

ITEM	PERSON RESPONSIBLE	DEADLINE
<p>RIS0920 Item 1 ARIC Resolution Register - August 2020</p> <p>The Chairperson thanked the Senior Manager Business Excellence, Customer Service, Enterprise on addressing many of the resolutions in the register.</p> <p>The Risk workshop will be scheduled shortly. The Chair advised that an independent member of the ARIC will be available to attend the workshop if this will be of assistance.</p> <p>RECOMMENDATION (Emily Hodgson/Heather Smith)</p> <p>THAT the Audit Risk and Improvement Committee:</p> <ol style="list-style-type: none"> 1. Receive and note to ARIC Resolution Register; 2. Receive and note the IWC Organisation Chart; and 3. Receive a report on the Project Management Framework at the next ARIC meeting. 	<p>Senior Manager Business Excellence, Customer Service, Enterprise</p>	<p>18 November 2020</p>
<p>RIS0920 Item 7 Internal Audit Quarterly Report.</p> <p>A wider Council risk assessment will commence shortly. Outcomes of this risk assessment will be provided to a future ARIC meeting.</p> <p>The Children Services review is currently within a procurement process. The review is expected to be complete this calendar year.</p>		

<p>The Committee emphasised that where there are high risk items identified at previous internal audits that are quite old, ensure there is at least and interim control in place while undertaking the broader review and implementing the longer term action.</p> <p>RECOMMENDATION (Emily Hodgson/Heather Smith)</p> <p>THAT the Audit Risk and Improvement Committee:</p> <ol style="list-style-type: none"> 1. Receive and note the Audit Recommendation Register Summary Report; 2. Receive and note the Internal Audit Status Update provided by EY; and 3. Receive and note the Children’s Services Financial Payment Processes Internal Audit Report; 4. Receive the Children’s Services Service Review once finalised and provided to Councillors; 5. Receive a report at the next ARIC meeting with more information on the open items on the Audit Resolution Register; and 6. Receive further reports on the supporting Fraud & Corruption Control Plan once complete. <p>Carried unanimously</p>	<p>Director City Living</p> <p>Senior Manager Business Excellence, Customer Service, Enterprise</p> <p>Senior Manager Business Excellence, Customer Service, Enterprise</p>	<p>Once completed</p> <p>18 November 2020</p> <p>Once completed</p>
<p>RIS0920 Item 2 ICT Security Assessment</p> <p>Work is being undertaken to remediate two high risk items which are the TechOne Data and Retention as a Service and Multi-factor authentication implementation.</p> <p>RECOMMENDATION (Heather Smith/Emily Hodgson)</p> <p>THAT the Audit Risk and Improvement Committee:</p> <ol style="list-style-type: none"> 1. Receive and note the report; and 2. Continue to receive ICT security updates. <p>Carried unanimously</p>		
<p>RIS0920 Item 3 Update on Technology One Project</p> <p>The Change Approval Board Project Control Group (PCG) meets on a monthly basis to assess any change requests for any TechOne modules.</p>		

<p>ICT are working on upgrading TechOne to version 2020A.</p> <p>RECOMMENDATION (Heather Smith/Emily Hodgson)</p> <p>THAT the Audit Risk and Improvement Committee receive and note the report.</p> <p>Carried unanimously</p>		
<p>RIS0920 Item 4 Update on status of External Combustible Cladding Project</p> <p>Due to poor audio, the COO, Director Recreation and Development took questions on notice and has responded to the ARIC members via email.</p> <p>RECOMMENDATION (Heather Smith/Emily Hodgson)</p> <p>THAT the Audit Risk and Improvement Committee receive and note the Report.</p> <p>Carried unanimously</p>		
<p>RIS0920 Item 5 Combined Delivery Program 18-22, Operational Plan 2020/21 & Budget 2020/21. Fees and Charges 2020/21 & Long Term Financial Plan 2020-30.</p> <p>There has been a major reduced income during July 2020-September 2020 due to Covid-19. Forecasting an operating loss of \$7.4m.</p> <p>Rates deferrals have been offered for commercial and residential properties. To date, 53 applications have been received for Commercial properties and 246 applications have been received for residential properties though of these applications, only 26 have completed their applications but are still paying their rates as usual.</p> <p>Council recently adopted to spend \$20 million from Developer Contributions towards Infrastructure Projects to commence immediately.</p> <p>In the Long-Term Financial Plan, there is an infrastructure backlog of \$140 million.</p> <p>The current Budget Savings Tracking for 2019/20 is \$18.3 million.</p> <p>Council applied for, and was approved to receive, part of the Local Government Stimulus. The dollar value is yet to be determined.</p> <p>The End of Year Audit is on-track and the financial statements & working papers will be delivered to the External Auditors on time. The External Auditors to commence the FY20 Year End Audit on Monday 7 September 2020.</p> <p>The Audit Office confirmed that there will be one final management</p>		

<p>report this year rather than an interim and a final. This report will include any repeat issues.</p> <p>RECOMMENDATION (Heather Smith/Emily Hodgson)</p> <p>THAT to receive and note the adopted documents.</p> <p>Carried unanimously</p>		
<p>RIS0920 Item 6 Investment Strategy & Portfolio Review 2019/20</p> <p>Question taken on notice by the CFO - Has the Council been advised of any potential capital losses on investments? Can the CFO work with the investment advisor to determine the potential level of risk of capital losses on investments (as compared to other investments which are capital guaranteed,.</p> <p>Councillor Steer noted that IWC adopted a policy to divest of investments in fossil fuels had led to higher returns, making this a successful policy – both fiscally and environmentally.</p> <p>RECOMMENDATION (Heather Smith/Emily Hodgson)</p> <p>THAT the ARIC note the Performance Review of its Investment Portfolio for 2019/20.</p> <p>Carried unanimously</p>	<p>CFO</p>	<p>18 November 2020</p>
<p>RIS0920 Item 8 Ashfield Aquatic Centre - Project Update</p> <p>The Ashfield Aquatic Center is scheduled for practical completion on 21 September 2020 being on time and on budget. The opening date is currently scheduled in October 2020.</p> <p>Dawn Fraser Baths is due for completion in October 2020 and will open in November 2020.</p> <p>\$4 million out of the \$20 million stimulus grant funding to be spent on the Leichhardt Park Aquatic Centre (LPAC) Masterplan works for which have already been identified.</p> <p>Council has obtained \$20 million in grant funding from the State Government for Parramatta Road Works. This project will be going out to tender in the next 2 months.</p> <p>A ‘lessons learnt’ review will be undertaken especially on large projects. A workshop will be held once the project is completed with all parties involved.</p> <p>A consultant has been engaged to audit the current Project Management Methodology. Recommendations have been received and at the point on implementing those recommendations.</p>		

<p>RECOMMEDATION (Emily Hodgson/Heather Smith)</p> <p>THAT the Audit Risk and Improvement Committee:</p> <ol style="list-style-type: none"> 1. Receive and note the information; and 2. Receive an update at future ARIC meetings on Project Management Methodology. <p>Carried unanimously</p>	<p>Senior Manager Business Excellence, Customer Service, Enterprise</p>	<p>Future meetings</p>
<p>RIS0920 Item 9 Enterprise Risk Management Quarterly Report</p> <p>Feedback from the ARIC was positive on the Draft Fraud and Corruption Policy.</p> <p>RECOMMENDATION (Emily/heather)</p> <p>THAT the Audit Risk and Improvement Committee:</p> <ol style="list-style-type: none"> 1. Receive and provide feedback on the Draft Fraud & Corruption Control Policy; and 2. Receive the current Strategic Risk Register of Council's top risks noting the upcoming Risk Refresh Workshop. <p>Carried unanimously</p>	<p>Senior Manager Business Excellence, Customer Service, Enterprise</p>	<p>18 November 2020</p>
<p>RIS0920 Item 10 Internal Ombudsman Shared Service Quarterly Report</p> <p>A new Model Code of Conduct was released by the Office of Local Government (OLG) on 14 August 2020. The Model Code of Conduct went to Council on 25 August 2020 where Council adopted to retain the \$50 gift limit.</p> <p>The most complaints that the IOSS receive is regarding Development Applications.</p> <p>The Senior Manager Business Excellence, Customer Service, Enterprise to speak to the Governance Manager regarding ICAC referrals. The Chair asked about the possibility of a Governance report which included information such as i) complaints & compliments, ii) PIDS, iii) GIPAs and iv) ICAC referrals (in and out) as these indicators and trends help to provide a full picture of Council's corporate governance controls.</p> <p>The Internal Ombudsman noted that she will finish in her role at the end of September 2020 and will be retiring. The Assistant Internal Ombudsman will act as the Internal Ombudsman. The Internal Ombudsman thanked the ARIC as they have been supportive and recognising the work that they do.</p>	<p>Senior Manager Business Excellence, Customer Service, Enterprise</p>	<p>18 November 2020</p>

