

**Minutes of Audit, Risk and Improvement Committee (ARIC) Meeting held on 24
October 2019 at Ashfield Service Centre.**

An In-camera session was held prior to the meeting at 5.00pm for the Committee Members to meet with members from the Audit Office.

Meeting commenced at 5.32pm

PRESENT

Audit Risk & Improvement Committee Members	
Independent Member - Chair	John Gordon
Independent Member (6.01pm)	Emily Hodgson
Independent Member	Heather Smith
Councillor (5.38pm)	Clr Louise Steer
Councillor	Clr Lucille McKenna
Other attendees	
Chief Operating Officer, Director Development and Recreation	Elizabeth Richardson
Director Corporate	Melodie Whiting
Director City Living	Erla Ronan
Director Infrastructure	Cathy Edwards-Davis
Chief Financial Officer	Daryl Jackson
Executive Manager Business Excellence	Peter Livanes
Coordinator Internal Audit and Business Continuity Management	Elvira Musolino
Policy and Risk Services Manager	Charmian King
Governance Officer	Darcie Huisman
Director, Financial Audit Services, Audit Office	Caroline Karakatsanis
Audit Office	Michael Kharzoo

ACKNOWLEDGMENT OF COUNTRY

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

APOLOGIES:

An apology from Michael Deegan, the CEO, was accepted.

DISCLOSURES OF INTERESTS:

The Chair, John Gordon, noted his appointment to another Audit & Risk Committee at Waverly Council that would not provide any conflict of interest. It was noted that this information would be reflected on the register of interests.

CHIEF EXECUTIVE OFFICER'S REPORTS

ITEM	PERSON RESPONSIBLE	DEADLINE
<p>RIS1019(1) Item 1 Draft 2018/19 Annual Financial Statements.</p> <p>Caroline Karakatsanis and Michael Kharzoo from the Audit Office presented to the Committee an outline of what is in their draft Closing Report. It was stated that the Audit is now substantially completed after the Financial Statements having been adjusted and corrected previously.</p> <p>On the Financial Statement preparation process, it was noted to be a challenging year with significant staff changes to key personnel and the valuation of assets which affected the quality review of the Financial Statements. Major adjustments made were due to issues such as the duplication of found assets which have now been amended correctly.</p> <p>There are a few minor outstanding items such as their final review of accounts but nothing substantial. Overall, the Audit Office stated they were able to give a clean audit opinion and expressed that they were satisfied with the statements in their current version. They acknowledged the CFO and staff for their openness and transparent cooperation.</p> <p>Daryl Jackson, Chief Financial Officer summarised the Financial Statements process from a staff perspective and noted that in hindsight, asset implementation could have been handled differently but that huge effort has been made to improve the accuracy of the Statements. Moving forward, better processes will be implemented such as liaising with the Audit Office earlier and inviting their expertise.</p> <p>The CFO answered a series of questions and clarifications from the Committee regarding dates and deadlines. The Chair expressed concern on the amount of systems access “superusers”. It was suggested that the CFO and Group Manager ICT review the State Government’s Cyber-risk Policy and checklists to assist with Council’s own risk management.</p> <p>The Committee ran through a final series of questions and suggestions for the CFO to implement prior to presenting the Financial Statements to Council, including to add a line on “Post Balance Sheet Events” in the list on page 10 of the document. The Committee noted the CFO had formally responded to the Chair re a list of questions and corrections on the Financial Statements.</p>		

<p>RECOMMENDATION (Heather Smith/Clr Lucille McKenna OAM)</p> <p>THAT the Audit, Risk and Improvement Committee:</p> <ol style="list-style-type: none"> 1. Acknowledge the efforts from the management team and staff and also the support provided by the Audit office to get the Financial Statements to their current state; and 2. Endorse the General-Purpose Financial Statements for the year ended 30 June 2019 for submission to Council for adoption, subject to the minor changes suggested in the meeting being implemented. <p>ACTIONS</p> <ol style="list-style-type: none"> 1. In TechOne Update for a future ARIC meeting, include comments on addressing recommendations from the Audit Office; and 2. Provide feedback on treatment of “land under roads” in the Financial Statements. 	<p style="text-align: center;">CFO</p> <p style="text-align: center;">CFO</p>	
<p>General Business</p> <ul style="list-style-type: none"> • On Tuesday 29 October 2019 Council will hold an Extraordinary Council meeting to endorse the amended Financial Statements. • The next Audit, Risk and Improvement Committee Meeting is to be held 6 November 2019 at 5.30pm. Clr Louise Steer will be an apology due to another conflicting Council event she will be attending. 		

Next meeting – 6 November 2019
Meeting closed at 6.50pm.

CHAIRPERSON – John Gordon