

12.1. MINUTES - AUDIT RISK AND IMPROVEMENT COMMITTEE - 23 NOVEMBER 2022 - ATTACHMENTS

1. Minutes - Audit Risk and Improvement Committee - 23 November 2022

Attachment 1 - 20221123 - DRAFT Minutes - Audit Risk & Improvement Committee**Notice of Meeting**

AUDIT RISK & IMPROVEMENT COMMITTEE

Wednesday, 23 November 2022 at 9:00 AM
Via Video Link

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1. COMMENCING AT:

9.15am

2. PRESENT:

Steven Walker (Chairperson), Melissa Tooke (External Member), Carolyn Rosetta-Walsh (External Member), Cr Brent Livermore (Councillor Delegate), Cr Julia Ham (Councillor Delegate), Hong Wee Soh (Audit Office), Dannielle MacKenzie (Crowe).

Ken Gouldthorp (General Manager), Daryl Hagger (Interim Chief Finance Officer), Julie Vaughan (Interim Director Community and Corporate) and Brook Penfold (Coordinator Governance).

Nicholas Wilton (Manager Growth and Activation), James Butt (Coordinator Risk and Safety), Matthew Suter (Risk Management Officer)

3. ACKNOWLEDGEMENT TO COUNTRY

An acknowledgement of the traditional custodians of the land was delivered by Steve Walker.

4. APOLOGIES:

Apologies were received from Phil Swaffield (National Audits Group).

Cr Ian Chaffey (Mayor) was absent.

5. DECLARATION OF PECUNIARY INTEREST:

Nil

6. MINUTES OF PREVIOUS MEETING:

6.1. MINUTES - AUDIT RISK & IMPROVEMENT COMMITTEE - 10 AUGUST 2022**ARI.52/22 RESOLVED:****THAT:**

1. The Minutes of the Audit Risk & Improvement Committee meeting held on 10 August 2022 be received.

Carolyn Rosetta-Walsh / Cr Julia Ham

CARRIED

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6.2. MINUTES - EXTRA-AUDIT RISK & IMPROVEMENT COMMITTEE - 21 SEPTEMBER 2022**ARI.53/22 RESOLVED:****THAT:**

1. The Minutes of the Extra-Audit Risk & Improvement Committee meeting held on 21 September 2022 be received.

Carolyn Rosetta-Walsh / Cr Julia Ham

CARRIED**7. BUSINESS ARISING:**

ACTION: The ARIC Chair to provide a report/presentation to Councillors regarding ARIC opinion on draft Financial Statements, before the draft financial statements are presented to Council.

8. AGENDA ITEMS:

Note: The Confidential Verbal Report was delivered to voting members before the formal start of the meeting. Confidential verbal report was delivered from 8.50am to 9.15am. Only voting members and the General Manager were present for the confidential verbal report.

8.1. GENERAL MANAGER CONFIDENTIAL VERBAL REPORT**ARI.54/22 RESOLVED:****THAT THE COMMITTEE:**

1. Noted the General Managers Confidential Verbal Report.

Melissa Tooke / Brent Livermore

CARRIED

Julie Vaughan, Daryl Hagger, Brook Penfold, Hong Wee Soh, Danielle MacKenzie joined the meeting at 9.18am

8.3. 2021/22 ANNUAL FINANCIAL STATEMENTS**ARI.55/22 RESOLVED:****THAT THE COMMITTEE:**

1. Noted the information.
2. Noted and accepted the Final Management Letter for Year Ending 30 June 2022 issued by the Audit Office NSW on 22 November 2022.
3. Request that the Audit Matrix be updated in alignment with the Final Management Letter

Steven Walker / Cr Julia Ham

CARRIED

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Hong Wee Soh provided information regarding an update to the auditing standards that will be in place for 2022/2023 audit. Additional information will be provided on the annual engagement plan next year.

Hong Wee Soh and Dannielle MacKenzie left the meeting at 9.45am.

8.2. COUNCILLOR EXPENSES FOR THE SIX MONTH PERIOD ENDING 31 DECEMBER 2021

ARI.56/22 RESOLVED:

THAT THE COMMITTEE:

1. Noted the information.

Carolyn Rosetta-Walsh / Melissa Tooke

CARRIED

8.4. ACTION REPORT TO THE AUDIT, RISK AND IMPROVEMENT COMMITTEE

ARI.57/22 RESOLVED:

THAT THE COMMITTEE:

1. Examined and discussed the status regarding progress of the actions.
2. Closed out the following items as complete
 - a. ARI.35/22 Interim General Manager Confidential Report
 - b. ARI.37/22 Draft 2021/22 Financial Statements
 - c. ARI.39/22 Rehabilitation Provisions for Landfills and Quarries
 - d. ARI.42/22 Audit Matrix
 - e. ARI.46/22 Business Continuity Management Close out the following items as no longer required
 - f. ARI.47/22 Legal Matters Report
 - g. ARI.50/22 Interim General Manager Confidential Report
 - h. ARI.51/22 Presentation of the 2021/22 Annual Financial Statements
 - i. ARI.55 OLG Guidelines on the Use and Management of Credit Cards
3. Closed out the following item as no longer required
 - a. ARI.40/22 NSW Auditor General's Report on Local Government

Steven Walker / Melissa Tooke

CARRIED

8.5. AUDIT MATRIX

ARI.58/22 RESOLVED:

THAT THE COMMITTEE:

1. Examined and discussed the Audit Matrix.

Steven Walker / Melissa Tooke

CARRIED

Nicholas Wilton joined the meeting at 9.58am

8.15. SECTION 7.11 DEVELOPMENT CONTRIBUTIONS UPDATE – LATE REPORT

ARI.59/22 RESOLVED:

THAT THE COMMITTEE:

1. Noted the report on section 7.11 Development Contributions Update
2. Recommend to Council that a position be established in light of the current demerger proposal to allocate appropriate resources be identified from within the contributions plan reserve for the administrative review of the Contributions Plan (management) document and Contributions Plan Parks and Recreation (2005 - 2015) to provide contemporary plans that reflect infrastructure need and timing of delivery.

Brent Livermore / Carolyn Rosetta-Walsh

CARRIED

ACTION: The contributions plan report to Council to include where the contributions originally came from.

Nicholas Wilton left the meeting at 10.15am

Ken Gouldthorp left the meeting at 10.15am

8.6. ENDORSEMENT OF INTERNAL AUDIT ENGAGEMENT LETTER FOR ASSET MANAGEMENT AS WELL AS MANAGEMENT ACCOUNTING/FINANCIAL REPORTING CONTROLS

ARI.60/22 RESOLVED:

THAT THE COMMITTEE:

1. Endorsed the Internal Audit Engagement Letter - Asset Management as the first internal audit to be undertaken during 2022/2023
2. Endorsed the Internal Audit Engagement Letter - Management Accounting/Financial Controls as the second audit to be undertaken during 2022/2023

Carolyn Rosetta Walsh / Melissa Tooke

CARRIED

ACTION: Discuss with the internal auditor opportunity to take into consideration practices from the current financial year and to discuss the review period.

James Butt and Matthew Suter joined the meeting at 10.27am

Ken Gouldthorp re-joined the meeting at 10.33am.

8.7. SAFETY, RISK & QUALITY UPDATE

ARI.61/22 RESOLVED:

THAT THE COMMITTEE:

1. Received the Safety, Risk & Insurance Update report.

2. Noted and discussed the content of the Safety, Risk & Insurance report.

Steven Walker / Carolyn Rosetta-Walsh

CARRIED

At 10.50am the committee took a 10-minute break. Meeting recommenced at 11.05am.

8.8. POST INCIDENT REVIEW - RIVERINA HIGHLANDS BUILDING FLOODING

ARI.62/22 RESOLVED:

THAT THE COMMITTEE:

1. Received the Post Incident Review - Riverina Highlands Building Flooding report.
2. Examined and discussed the attached Post Incident Review.
3. Noted the attached Post Incident Review recommendations have been presented to the Safety Risk & Quality Committee.

Cr Julia Ham / Melissa Tooke

CARRIED

ACTION: Due dates to be added to the RHB post incident review improvement actions in the Safety Risk and Quality Committee Action Report.

NOTE: Discussion was held regarding the insurance claim with the impacts of the process surrounding the loss assessor and current claim.

8.9. POST INCIDENT REVIEW - CYBER INCIDENT

ARI.63/22 RESOLVED:

THAT THE COMMITTEE:

1. Received the Post Incident Review - Cyber Incident report.
2. Examined and discussed the attached Post Incident Review and supporting documentation.
3. Noted the Post Incident Review has been presented to the Safety Risk & Quality Committee.

Cr Julia Ham / Melissa Tooke

CARRIED

James Butt and Matt Suter left the meeting at 11.21am

8.10. PROJECT OFFICE REPORT

ARI.64/22 RESOLVED:

THAT THE COMMITTEE:

1. Received the project office report November 2022
2. Reviewed and discussed the project office report November 2022

Melissa Tooke / Carolyn Rosetta-Walsh

CARRIED

ACTION: For projects considered 'high risk' and 'at risk', the ARIC Project Office Report should include the status as well as possible risks associated with the projects (in particular on time and budget). An update to be provided to the ARIC members via email of the 'high risk' and 'at risk' projects as listed in the 23 November 2022 meeting.

8.11. 2021-2022 ANNUAL REPORT PROGRESS

ARI.65/22 RESOLVED:

THAT THE COMMITTEE:

1. Reviewed the report on the 2021-2022 Annual Report Process.

Steven Walker / Melissa Tooke

CARRIED

8.12. 2022-2023 OPERATIONAL PLAN - FIRST QUARTER UPDATE (1 JULY TO 30 SEPTEMBER 2022)

ARI.66/22 RESOLVED:

THAT THE COMMITTEE:

1. Reviewed and discussed the 2022-2023 Operational Plan - First Quarter update (1 July to 30 September 2022)

Steven Walker / Melissa Tooke

CARRIED

8.13. AUDIT RISK AND IMPROVEMENT COMMITTEE ANNUAL REPORT 2021/22

ARI.67/22 RESOLVED:

THAT THE COMMITTEE:

1. Endorsed the Audit Risk and Improvement Committee Annual Report 2021/22.
2. Present the Audit Risk and Improvement Committee Annual Report 2021/22 to the December 2022 Ordinary Council Meeting.

Steven Walker / Cr Julia Ham

CARRIED

8.14. ARIC FORWARD MEETING PLAN

ARI.68/22 RESOLVED:

THAT THE COMMITTEE:

1. Endorsed the Forward Meeting Plan for 2023.
2. Requested Governance to add meetings dates to the Council meetings calendar and send out invites accordingly.
 - 9am Wednesday 8th March 2023 - Tumut Room offered as Hybrid

- 9am Wednesday 10th May 2023 - Tumut Room offered as Hybrid
- 9am Wednesday 23rd August 2023 - Tumut Room offered as Hybrid
- 9am Wednesday 8th November 2023 - Tumut Room offered as Hybrid

Steve Walker / Carolyn Rosetta-Walsh

CARRIED

9. GENERAL BUSINESS:

General discussion regarding a report to December 2022 Council meeting to reappoint Melissa Tooke as an independent ARIC member.

Terms of Reference to be reviewed and take into consideration the Office of Local Government draft Risk Management and Internal Audit Framework for Local Councils. Review to be undertaken in first half of 2023.

10. NEXT MEETING

The next meeting will be held on the 8 March 2023 commencing at 9am in the Tumut Council Chambers and/or via video link.

There being no further business to discuss, the meeting closed at 11.50am.