

# AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

## AGENDA

2 Prince Street, Grafton (Chambers)

Thursday, 8 December 2022

12noon - 12:30pm – Lunch

12:30 pm - 3:00pm – ARIC Meeting

### Members (voting):

- Neville Parsons (Chair)
- Barry Ford
- Christine Tyler

### Attendees:

- General Manager - Laura Black
- Cr Peter Johnstone
- Kallet Ward- Internal Audit Officer **(online via teams)**
- Gearoid Fitzgerald - NSW Audit Office **(online via teams)**
- Kevin Franey -TNR Chartered Accountants **(online via teams)**
- Ben Rogers - TNR Chartered Accountants **(online via teams)**
- Jamie Fleeting – Director Works & Civil
- Alex Moar - Director Corporate Governance & Community
- **Adam Cameron - Director Environment and Planning**
- Penelope Corkill – Director Risk & Assurance (Centium) **(online via teams)**

**Welcome and Acknowledgment to Country:** Delivered by the Chair, Neville Parsons

**Apologies:**

**Declarations of Interest:**

**Confirmation of Minutes of previous meeting held on 23 June 2022**

Item No.	Business	Attachments
1.	2022/2023 Internal Audits conducted by Centium- High Level Key Findings <ul style="list-style-type: none"> <li>• Environmental Management Compliance audit</li> <li>• WH&amp;S Management audit</li> </ul> High Level key Findings of the audit are attached for information and review.	√
2.	Final Management Letter from the Audit Office by Kevin Franey A One-page summary of actions with the progress status as up to October 2022 of each issue identified in the audit form the Audit Office is attached for information and discussion.	√
3.	Timeline for completion of the Annual Financial Statements is attached for information.	√
4.	Internal Audit Plan 2018-2021 -Progress Update A One-page summary of actions with the progress status of each internal audit plan is attached for information and discussion. <ul style="list-style-type: none"> <li>• Developer Contribution Plan Management</li> <li>• HR Strategy</li> </ul>	√

Item No.	Business	Attachments
	<ul style="list-style-type: none"> <li>• Project Management</li> <li>• Plant Replacement</li> <li>• Asset Maintenance &amp; Renewal</li> <li>• Budget Management</li> <li>• Corporate Overheads</li> <li>• Grant Management</li> <li>• Contract Management</li> <li>• GIS Mapping</li> </ul>	
5.	<p>Continuous Improvement Program (CIP) Self Assessment Audit for 2022- State-Wide Mutual</p> <ul style="list-style-type: none"> <li>• Roads</li> <li>• Signs as a Remote Supervision (Open Spaces)</li> <li>• Fire Management- Grafton Regional Landfill</li> </ul> <p>Self- assessment audits and action plans are attached for information and review.</p>	√
6.	<p>Legal Compliance Process Review</p> <ul style="list-style-type: none"> <li>• Legislative Compliance Register</li> <li>• Legislative Compliance Procedure (On draft)</li> </ul> <p>Legislative Compliance documents are attached for information and review.</p>	√
7.	<p>ARIC meetings 2023:</p> <ul style="list-style-type: none"> <li>• 2<sup>nd</sup> of February 2023</li> <li>• 4<sup>th</sup> of May 2023</li> <li>• 3<sup>rd</sup> August 2023</li> <li>• 5<sup>th</sup> of October 2023</li> </ul>	
8.	<p>Observations from the Committee</p> <ul style="list-style-type: none"> <li>• This will provide the opportunity for the Committee to provide insights and recommended areas for further review and information.</li> <li>• This will also identify priority action items for the Committee.</li> <li>• Emerging issues/ risks</li> </ul>	

**Item No. Business arising from previous minutes**

9. Council Strategic Risk Register. Council Risk Management Framework (policy, plan, and procedure). Please provide recommendations about the policy.

**Recommendation:**

- That the Enterprise Risk Management Framework be reviewed by the committee and discussed at the next meeting
- The Committee to make any recommendations for improvement including identification of any other risks and/or changes to risk ratings

**Resolved:**

- The committee provided feedback about the Enterprise Risk Management Framework (policy, plan, and procedure).

10. Internal Audit Plan 2018-2021 -Progress Update

**Recommendation:**

- The committee recommended to have a one-page summary of actions to address those issues identified in the internal audit reports including, timeframes and contingencies.
- The committee recommended to focus more on strategies and actions on how to address those identified issues, instead on focusing only on issues.

**Resolved:**

- A One-page summary of actions with the progress status including strategies of each internal audit plan have been developed and will be presented to the ARIC.

11. Final Management Letter from the Audit Office

A One-page summary of actions with the progress status as up to October 2022 of each issue identified in the audit form the Audit Office is attached for information and discussion.

**Recommendation:**

- The committee recommended to develop a one-page schedule/ action plan for each issue, including actions, due dates for key milestones for delivery, responsible person, and contingencies

**Resolved:**

- A One-page summary of actions with the progress status including of each issue identified has been developed and will be presented to the ARIC.

12. Annual Engagement Plan-2022

Council is waiting for a response from the Audit Office of NSW in relation of the request to an extension for lodgement 2021-2022 Financial Statements

**Resolved:**

- An extension for lodgement 2021-2022 Financial Statements was provided to CVC

13. Proposed motions to be submitted to 2022 LGNSW Annual Conference by Manager Environment and Regulatory Services, Scott Lenton and Manager Water Cycle, Greg Mashiah

**Recommendation:**

- The committee supported the motions and recommended to submit the motions to Council for their final decision.

**Resolved:**

- Council endorsed the motions and they will be submitted to the 2022 LGNSW Annual Conference.

14. Expression of Interest (EOI)- Internal Audit Service Provider

**Recommendation:**

- The chair of the committee recommended one of the internal audit providers based on value Local Government experience and references. He also recommended that if the committee agreed with his recommendation, then that provider be advised of their appointment for a 3-year term but with a mutual review at the end of year 1 enabling either party to exit the agreement.

**Item****No. Business arising from previous minutes**

- The chair requested the other committee members to further review and analyse the submissions and provide before 30 June 2022 their further feedback in relation to the recommendation of the chair.
- Kallet will report to the committee the outcome of the further review and advise the agreed position as to recommended internal audit

**Resolved:**

- Council endorsed the recommendation from the committee for the appointment of a 3 year-term Internal Audit service Provider

**15. Fraud Control Policy****Recommendation:**

- That the committee review the Fraud Control Policy (draft) and provide feedback to Kallet.

**Resolved:**

- Feedback has been received from the committee. The policy will be submitted to council for endorsement

**Meeting Closed:**

Information and documents pertaining to the Committee are confidential and are not to be made publicly available. The Committee may only release council information to external parties that are assisting the Committee to fulfil its responsibilities with the approval of the general manager, except where it is being provided to an external investigative or oversight agency for the purpose of informing that agency of a matter that may warrant its attention.