AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING AGENDA

2 Prince Street, Grafton (Chambers)

Thursday, 3 August 2023

12noon - 12:30pm – Lunch

12:30 pm - 3:00pm – ARIC Meeting

Members (voting):

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

Attendees:

- Laura Black – General Manager
- Kallet Ward- Internal Audit Officer
- 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
- Cr Peter Johnstone
- Penelope Corkill- Director Risk & Insurance – Centium **(online via teams)**
- Gearoid Fitzgerald-Audit Leader- Financial Audit, Audit office NSW **(online via teams)**
- Kate Maginnity- Manager Finance & Corporate Systems
- Terrance O'Neill- Coordinator Information Technology
- Matt Davidson- Coordinator Corporate Systems
- Murray Lane- Manager Development and Land Use Planning

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

Apologies:

Non-Attendees:

Declarations of Interest:

Confirmation of Minutes of previous meeting held on 4 May 2023 by:

Item No.	Business	Attachment
1.	**Annual Financial Statements Updates** Progress Update of the delivery of the 2023 Annual Financial Statements by Manager Finance & Corporate Systems / Kevin Franey • A copy of the schedule (actions and timelines) is attached for review and discussion.	√
2.	**External Audit Reports** a) Recent External Audit Reports • Final Management Letter Action Plan- Progress Status for the year ended 30 June 2022 and for the year ended 30 June 2021 is attached for review and discussion	√
3.	**Cybersecurity Presentation** • A cybersecurity presentation will be delivered by Coordinator Corporate Systems and Corporate Systems and Coordinator Information Technology	

Item No.	Business	Attachment
4.	**Internal Audit Reports** a) Recent Internal Audit Reports: Progress Update by Penelope Corkill (Centium) 2022/2023 Internal Audits conducted: • Final Payroll / HR reporting audit report is attached for information and discussion • Budget Planning/Preparation Audit- High Level Status update (Preliminary Findings) b) One Page- Progress Update of the Internal Audits 2022-2023, are attached for review and discussion • WH&S Management Audit • Environmental Management Audit • Payroll/ HR Reporting Audit	√
5.	**Internal Audit Program 2023-2024** is attached for information and discussion.	√
6.	**ARIC Focus Areas for 2023-2024** • ARIC focus areas for 2023-2024 on page 23 of the ARIC Annual Report 2022/2023 for review and discussion	√
7.	**Business Processes Review -updates** • Legal Compliance Process • Policy Management Process • Governance Framework • Fraud and Corruption Control • State Archives	
8.	**Observations from the Committee** • This will provide the opportunity for the Committee to provide insights and recommended areas for further review and information. • This will also identify priority action items for the Committee. • Emerging issues/ risks	

List of Document for Information and Distribution	**Attachment**
LG ARIC Chairs Forum Slides	√
Corporate Systems Strategic Plan -CiAnywhere High Level Plan • CiAnywhere plan, including all the modules and proposed implementation timeframes	√
Governance Framework	√
Operational Plan 2023/2024 (Note: Service review program is on page 70)	√
Service Review Plan 2022-2026, 4-year Program	√
Performance Audit Report about Cybersecurity- Local Government NSW • Distributed by the Audit leader (Audit office NSW)	√
Continuous Improvement Program (CIP) Self Assessment Audit reports for 2022- State-Wide Mutual action items for each area attached - Roads (Completed) - Fire Management- Grafton Regional Landfill (completed) -Signs as a Remote Supervision (Open Spaces) (in progress)	√

Meeting Closed:

Item No.	Business arising from previous minutes

9. 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 from the Audit Office is attached for information and discussion.

Recommendation:

- The committee recommended that actions of the progress status updates of the Final Management Letter to be more task oriented/detailed and closed actions once the closure of the action has been reported to ARIC can be removed from the Action Schedule for future reporting to ARIC- **Completed**
- The committee recommended for an update and red alerts identified on the overdue matters for the February 2023 meeting- **Ongoing**

10 Internal Audit Report

Recommendation:

- The committee recommended to continue with Centium to conduct the next internal audits for 2023/2024 subject to their budget proposal. The Internal Audit Officer to discuss with Centium about the annual audit plan for 2023/2024 and obtain a fee proposal to present to the ARIC.

- The committee recommended to the Manager of Finance and Systems to share the CiAnywhere plan with the ARIC, including all the modules and proposed implementation timeframes to understand where everything fits within the system.

11 Service Review Program

Recommendation:

- The committee recommended to the by Director Corporate Governance & Community to present an Overview of the 4-year service reviews program including the service review framework, process, requirements, timeframes, and status.

12 Legal Compliance Process Review
- Legislative Compliance Register
- Legislative Compliance Procedure (On draft)
  Legislative Compliance documents are attached for information and review.

Actions:

- Legislative Compliance process will be implemented Quarter 3rd, 2022/2023

Recommendation:

- The committee recommended that management develop a list of actions required under the various pieces of legislation and that accountability be allocated to respective managers for that compliance: **In progress**

13 Observations from the Committee

- This will provide the opportunity for the Committee to provide insights and recommended areas for further review and information.
- This will also identify priority action items for the Committee.
- Emerging issues/ risks

Recommendation:

- The committee recommended to review the Enterprise Risk Management Framework including the Strategic Risk register in the next ARIC meeting. This will provide the opportunity for the committee to discuss any new risks/issues that Council is facing and to consider whether Council has the effective controls in place to mitigate those risks. - Completed

- The committee recommended to review the following ARIC's 2023/2024 documents and provide feedback
  - Terms of Reference-Completed
  - Internal Audit Charter- Completed
  - Strategic/ Annual Internal Audit Plan- Completed
  - ARIC Annual Report- Completed

Item No.	Business arising from previous minutes

- The committee members have been invited to attend a Code of Conduct refresher Training Session on the 14th of February/2023.- **Completed.**
- The committee requested to obtain a copy of the power point presentation for their information- **Completed**