

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

AGENDA

2 Prince Street, Grafton (Chambers)

Thursday, 8 February 2024

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
- Gearoid Fitzgerald-Audit Leader- Financial Audit, Audit office NSW **(online via teams)**
- Kate Maginnity- Manager Finance & Corporate Systems
- Penelope Corkill- Director Risk and Assurance, Centium
- Jess Kennedy- Manager Organisational Development
- Ben Ellem- Performance Audit Leader, Audit Office of NSW
- Marnie Hillman- Senior Performance Auditor, Audit Office of NSW
- Andrew Anderson -Director, Audit Office of NSW **(online via teams)**

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

Apologies: Cr Steve Pickering

Non-Attendees:

Declarations of Interest:

Confirmation of Minutes of previous meeting held on 7 December 2023 by:

Item No.	Business	Attachment
1.	Annual Financial Statements 2022/2023 <ul style="list-style-type: none"> • Progress Update of the Annual Financial Statements 2022/2023 by Manager Finance & Corporate Systems Kate Maginnity and Kevin Franey 	
2.	External Audit Reports <ol style="list-style-type: none"> Recent External Audit Reports <ul style="list-style-type: none"> • 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.	Internal Audit Reports <ol style="list-style-type: none"> Internal Audit 2023/2024- Progress Update <ul style="list-style-type: none"> • Payroll/ HR Reporting Audit- progress update by Manager Finance & Corporate Systems • Environmental Management Audit- progress update by Director Environment and Planning • WH&S Management Audit -progress update by Manager Organisational Development • Asset Maintenance Audit (Water and Building assets)- High Level key Findings - update by Penelope Corkill 	√

Item No.	Business	Attachment
4.	Business Continuity Plan- High Level Overview of the BC Framework by the General Manager Suite of BCP documents comprising: <ul style="list-style-type: none"> • BCP -Manual • BCP- Procedure • BCP-Critical Contact List and Business Control Centre Locations • Directorate BCPs containing all identified Critical Functions <p>- BC proposals for BC simulation/ testing scenarios/ Cost</p>	√
5.	Performance Audit from the Audit Office of New South Wales- Road Asset Management in Local Government-High Level Update by Ben Ellem <ul style="list-style-type: none"> • High Level Overview of the Road Asset Management Audit (scope/ approach/ progress update) 	√
6.	Internal Audit Plan 2023/2024 – High Level discussion about future audits and budget <ul style="list-style-type: none"> • Workforce Management Audit / Review of Hazardous Materials • Internal Audit Budget 2024/2025 	
7.	Observations from the Committee <ul style="list-style-type: none"> • 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 <p>- Annual ARIC's update: The ARIC's chair will provide an update to the councilors about the ARIC's performance and highlights of the half year on the 2nd of May/2024</p> <p>- Cybersecurity presentation: Tony Chapman has been invited to deliver a Cybersecurity presentation to the Leadership team, Councillors and ARIC on the 2nd of May/2024</p>	

	Attachment
List of Document for Information and Distribution	
State Records Report, from the State Archives & Records, NSW Government- <ul style="list-style-type: none"> • State Records Action plans 2022 and 2023 	√
DA Quarterly Report- <ul style="list-style-type: none"> • Development Applications Statistics Q2/2023-2024 	√
Continuous Improvement Program (CIP)- Implementation Plans 2023	√
Self- Assessment Audits <ul style="list-style-type: none"> • Buildings • Business Continuity 	

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.

Item No. Business arising from previous minutes

1.. 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 expressed concern about those issues identified in the Final Management Letter that haven't been addressed in the previous years. The committee recommended to resolve those issues as soon as possible and to report to the committee in the next ARIC meeting.- **Ongoing** (76% of the issues have been addressed)
- The committee recommended management to prioritise the issues based on risk ratings and to present both those items closed out after this meeting as well as those remaining outstanding to the committee in the next ARIC meeting.- The issues have been prioritized by identified year and the risk have been added to each issue.
- ARIC Chair recommended the GM review and assess the issues based on today's risks and to ensure the implemented controls are recorded in the risk register to be monitored- Ongoing- controls will be recorded in the risk register

2. Internal Audit Reports

On-site wastewater Management Strategy Audit-

Recommendation:

- The committee recommended the implementation plan of this audit be actioned with urgent attention required to the higher rated risks. The current status of the implementation plan to action this report is to be presented to the next ARIC meetings for monitoring purposes- Ongoing

3. Business Continuity Plan

Recommendation:

- The committee recommended for an update of the BCP process be reported in the next ARIC meeting
- The committee requested to receive a high-level overview of the nature of the Business Continuity Plan at the next ARIC meeting

4. 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- **In progress**

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**

5. Continuous Improvement Program (CIP)

Self- Assessment Audits:

- Buildings
- Playgrounds
- Business Continuity

Recommendation:

The committee recommended the development of an implementation plan including the actions identified in the report. Action plan to be presented to the ARIC for monitoring purposes.

6. State Records Report, from the State Archives & Records, NSW Government.

Recommendation:

- The State records action plan from 2022 and 2023 will be distributed to the ARIC at the next meeting including the actions for improvement.

7. Internal Audit Reports 2018-2022

Recommendation:

- It was recommended that in future, Directors need to sign off on the progress of these action plans before they will be distributed to the ARIC.
- In relation to the GIS mapping action plan- Cr Steve Pickering requested a clarification of an action ref 01 of the plan. Kallet to follow up with the responsible officer of the action.

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