

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

AGENDA

2 Prince Street, Grafton (Chambers)

Thursday, 2 May 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 & Planning
- Gearoid Fitzgerald-Audit Leader- Financial Audit, Audit office NSW **(online via teams)**
- Kate Maginness- Manager Finance & Corporate Systems
- Penelope Corkill- Director Risk and Assurance, Centium **(online via teams)**
- Tony Chapman- Chief Cyber Security Officer, NSW Government **(online via teams)**
- Leadership Team **(online via teams)**
- Cr Steve Pickering
- Nick Harvey- Financial Accountant
- Scott Lenton- Manager Environment & Regulatory Services

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 8 of February 2024 by:

Item No.	Business	Attachment
1.	ARIC's Performance Update- <ul style="list-style-type: none"> • Audit, Risk and Improvement Committee Performance Update by ARIC's chair, Neville Parsons 	
2.	Cybersecurity Presentation- delivered by Tony Chapman Chief Cyber security Officer- NSW Government	
3.	Engagement Closing Report 2023- Audit Office of NSW- by Audit Leader, Gearoid Fitzgerald <ul style="list-style-type: none"> • Key findings relevant to the responsibilities and oversight of the Council's financial statements for the year ended 30 June 2023 	√
	Final Management Letter 2023 – Audit Office of NSW- by Audit Leader, Gearoid Fitzgerald <ul style="list-style-type: none"> • Final Phase of the Audit for the Year Ending 30 June 2023 	
	Annual Engagement Plan 2024 – Audit Office of NSW- by Audit Leader, Gearoid Fitzgerald	

Item No.	Business	Attachment
4.	Annual Financial Statements 2023/2024 Progress Update of the Annual Financial Statements 2023/2024 by Manager Finance & Corporate Systems Kate Maginnity and Financial Accountant Nick Harvey <ul style="list-style-type: none"> • Timetable (plan, actions, timeframes) -progress against timetable • Quarterly written progress update 	√
5.	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	√
6.	Internal Audit Reports a) Asset Maintenance Audit (Water and Building assets) Final Report- update by Penelope Corkill b) Workforce Management Audit-High Level Key Findings- update by Penelope Corkill <ul style="list-style-type: none"> - Confirming formally support of the budget variation of \$5,000 (exc GST) c) Environmental Management Audit (Environmental Management System) - progress update by Manager Environment & Regulatory Services/ Director Environmental and Planning	√
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 	

List of Document for Information and Distribution	Attachment
DA Quarterly Report- <ul style="list-style-type: none"> • Development Applications Statistics Q3/2023-2024 https://www.clarence.nsw.gov.au/Building-and-planning/Development-applications/How-were-performing 	
Internal Audit Plans 2018-2021- <ul style="list-style-type: none"> • Project Management • Budget Management • Corporate Overheads • Grant Management • Contract Management • GIS Mapping 	√
Internal Audit Plans 2022-2023- <ul style="list-style-type: none"> • Payroll/ HR Reporting Audit- progress update by Manager Finance & Corporate Systems • Budget Planning Audit- progress update by Manager Finance & Corporate Systems 	√
Internal Audit Plans 2023-2024- <ul style="list-style-type: none"> • Action Plan- On- Site Wastewater Management Strategy Audit- Progress Report 	√
Financial Independent Auditor Reports 2023- Audit Office, NSW <ul style="list-style-type: none"> • General purpose financial statements • Special purpose financial statements • Special schedule – Permissible Income • Report on the Conduct of the Audit 	√
CVC Governance Report 2024 <ul style="list-style-type: none"> • Q3-Complaints Register 	√

Meeting Close:

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.-**Completed**
- 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-**Completed and Ongoing**

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- **Completed**

Payroll/HR Report and Environmental Management Action Plan-

- The committee expressed concern of the delay of the implementation of some of the actions within the Payroll/ HR Reporting action plan and the Environmental Management action plan. The committee recommended the respective Managers implement those actions as soon as possible as it has been almost a year since they received the Final report in May 2023- **Completed and Ongoing**

3. Legal Compliance Process Review

- Legislative Compliance Register- **Completed**
 - Legislative Compliance Procedure- **Completed**
- Legislative Compliance documents are attached for information and review.

Actions:

- Legislative Compliance process will be implemented Quarter 4, 2023/2024 into the CiAnywhere system- **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**

4. Continuous Improvement Program (CIP)

Self- Assessment Audits:

- Buildings-In progress
- Playgrounds- **Completed**
- Business Continuity-**Completed**

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

5. 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. Internal Audit officer to follow up with the responsible officer of the action.

6. 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

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.