



Minutes of the Audit, Risk and Improvement Committee Meeting

Tuesday 31 March 2020

5.30pm

Council Chambers

209 Comur Street, Yass

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Present

Via Zoom

Andrew Hannan- Chair, Mitchell Fleming, Councillors Rowena Abbey and Allison Harker

Also present: Jovan Pejic – Manager Risk, Audit and Improvement, Chris Berry – General Manager, Mark Eady - Director Corporate & Community, Sarah Donnelly – Acting Chief Financial Officer, Mark Livermore – Environmental Services Coordinator, Shirree Garland – Corporate Planning & Executive Support Officer

Sanket Raje – Deloitte, Dominka Ryan – NSW Audit Office

1. Introduction

1.1 Formal Opening and Welcome

Chair Andrew Hannan welcomed all to the meeting, acknowledging the difficult start to the year with fires, floods and the current pandemic. The passing of Sharon Hutch was also acknowledged.

1.2 Acknowledgement of Country

Chair Andrew Hannan made a statement acknowledging the tradition owners

1.3 Apologies

Apologies were received from Bruce Papps, Natasha Bourke

1.4 Declaration of Conflict of Interest

Nil

2. Committee Matters

2.1 Confirmation of Minutes

COMMITTEE DECISION

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 8 October 2019 be taken as read and confirmed.

(R Abbey/M Fleming)

2.2 Matters Arising

Nil

3. EXTERNAL AUDIT

SUMMARY

The Audit Office of NSW has completed the Financial Statement Audit for the financial year ended 30 June 2019 and has issued a Final Management Letter to Council for consideration of the Audit, Risk and Improvement Committee.

COMMITTEE DECISION

That:

- 1. The Final Management Letter issued by the NSW Audit Office on the Financial Statement audit completed for the financial year ended 30 June 2019 be noted**
- 2. The management responses addressing the audit matters identified in the Final Management Letter issued by the NSW Audit Office be endorsed**

(Harker/Fleming)

Sanket Raje and Dominika Ryan left the meeting at 5.53pm.

4. GENERAL MANAGER'S REPORT

SUMMARY

This report serves to inform the Audit, Risk and Improvement Committee of key ongoing Council matters for the quarter ending 31 March 2020.

The General Manager provided oral reports in relation to:

- the current Corona Virus pandemic, Business Continuity Plan and Business Action Plans
- Engineering Realignment
- Transition of Home Living Support Service

COMMITTEE DECISION

That the verbal update from the General Manager be noted

(Abbey/Harker)

5. RISK MANAGEMENT

SUMMARY

This report serves to inform the Audit, Risk and Improvement Committee of Risk Management activities and developments for the quarter ending 31 March 2020. This includes:

- General risk management update
- Business Unit Risk Register presentations
- New Position Description: Coordinator Risk Management

COMMITTEE DECISION

That:

- 1. The Risk Management Update be noted**
- 2. The "Critical Risks" and "High Risks" identified for the Finance and E&H Business Units be noted**
- 3. The proposed Coordinator Risk Management position be noted**

(Abbey/Harker)

6. FINANCIAL MANAGEMENT

SUMMARY

This report serves to inform the Audit, Risk and Improvement Committee of the Financial Management matters for the quarter ending 31 March 2020 including:

- Council Loans
- Council Investments
- Proposed Budget FY20/21

COMMITTEE DECISION

That:

- 1. The status of Council Loans as at 29 February 2020 be noted*
- 2. The position of Council Investment as at 29 February 2020 be noted*
- 3. The Proposed Budget for Financial Year 2020/2021 be noted*

(Fleming/Abbey)

7. INTERNAL AUDIT

SUMMARY

This report serves to inform the Audit, Risk and Improvement Committee of Internal Audit activities for the quarter ending 31 March 2020 including:

- the number of internal audits completed during that quarter, including providing copies of the audit reports including details of findings and recommendations
- Internal audit recommendation tracking and status updates
- progress in implementing the strategic internal audit plan
- any concerns the Manager Audit, Risk and Improvement may have.

COMMITTEE DECISION

That:

- 1. The Internal Audit Report on Rates Levied for FY19/20 be noted*
- 2. The status of Internal Audit Recommendations be noted*
- 3. The status update on the progress in implementing the strategic internal audit plan be noted.*

(Harker/Abbey)

8. ARIC ACTIONS TRACKING

SUMMARY

This report serves to inform the Audit, Risk and Improvement Committee on the status of outstanding ARIC Actions as resolved by the Committee.

COMMITTEE DECISION

That the report on ARIC Actions Tracking be noted

(Abbey/Harker)

9. ARIC GOVERNANCE FRAMEWORK

SUMMARY

This report presents updated governing documents aligned with best practice and the New Risk Management and Internal Audit Framework for Local Council in NSW to be adopted by March 2021. The governing documents presented include:

- ARIC Charter
- Internal Audit Charter
- ARIC Workplan, Responsibility Plan and Calendar
- ARIC Standard Agenda
- ARIC Code of Conduct Guidelines for Independent Chair and Members

COMMITTEE DECISION

That:

- 1. The updated Internal Audit Charter for adoption by March 2021 be endorsed*
- 2. The updated Audit, Risk and Improvement Committee Charter for adoption by March 2021 be endorsed*
- 3. The proposed ARIC Workplan Responsibility Plan and Calendar for adoption by March 2021 be endorsed*
- 4. The proposed ARIC Standard Agenda for adoption by March 2021 be endorsed*
- 5. The proposed Code of Conduct Guidelines for Independent ARIC Chair and Members for adoption by March 2021 be endorsed*

(Fleming/Abbey)

10. ARIC IMPLICATIONS REPORT

SUMMARY

This report presents a summary of key implications on the Audit Risk and Improvement Committee from the introduction of the New Risk Management and Internal Audit Framework for Local Council in NSW to be adopted by March 2021. These include:

- New independence requirements for ARIC Chair and Members in line with the NSW Government's Prequalification Scheme
- Opportunity to establish a Shared Audit Risk and Improvement Committee with partner Councils of Goulburn Mulwaree and Upper Lachlan Shire.

COMMITTEE DECISION

That:

1. *The Discussion Paper on A New Risk Management and Internal Audit Framework for Local Council in NSW be noted*
2. *The Independence requirements of Audit, Risk and Improvement Committee Chair and Members under Core Requirement 1(c) of the New Risk Management and Internal Audit Framework for Local Council in NSW and the NSW Government's Prequalification Scheme: Audit and Risk Committee Independent Chairs and Members be noted*
3. *A decision to move to a Shared Audit Risk and Improvement Committee with partner Councils of Goulburn Mulwaree and Upper Lachlan Shire be deferred until further information is available*

(Fleming/Abbey)

The meeting closed at 7.22 pm.