
**AUDIT, RISK AND IMPROVEMENT COMMITTEE
HELD IN THE MURRAY ROOM, GRIFFITH ON
WEDNESDAY, 6 NOVEMBER 2024 COMMENCING AT 5:01 PM**

PRESENT

Stuart Heffer (Chair) (Community Representative), George Youssef (Community Representative) via Zoom, Helen Brill (Community Representative), Dorian Radue (Community Representative)

Quorum = 3

STAFF

General Manager, Brett Stonestreet, Acting Director Business, Cultural & Financial Services, Max Turner, Director Infrastructure and Operations, Phil King, National Audits Group, Stephen Prowse via Zoom, NSW Audit Office, Alison Brown via Zoom, Governance Manager and Minute Taker, Leanne Austin

1 APOLOGIES

Apologies were received from Director Economic & Organisational Development, Shireen Donaldson and Senior WHS & Risk Coordinator, Raymond McCloy.

2 CONFIRMATION OF MINUTES

RECOMMENDED on the motion of George Youssef and Dorian Radue that the minutes of the previous meeting held on 30 September 2024, having first been circulated amongst all members, be confirmed.

3 BUSINESS ARISING

Nil.

4 DECLARATIONS OF INTEREST

Pecuniary Interests

There were no pecuniary interests declared.

Significant Non-Pecuniary Interests

There were no significant non-pecuniary interests declared.

Less Than Significant Non-Pecuniary Interests

There were no significant non-pecuniary interests declared.

5 ITEMS OF BUSINESS

The Chair invited Alison Brown to provide an update on the progress of the audit of Council's Annual Financial Statements by the NSW Audit Office.

Ms Brown advised the Committee that there were a number of outstanding items in regards to the audit. Ms Brown stated that in terms of the Griffin Green project, the Audit Office opinion is that it may be a joint arrangement and that Council and the developer have an equal say in decisions made on the project. Ms Brown suggested that the Griffin Green accounting paper requires review under accounting standard AASB1058 for the grant income and AASB11 for the agreement with the other party. Ms Brown further suggested that Council is a Not For Profit in accounting standards.

Ms Brown also requested that a complete transaction list of the General Ledger be provided in Excel format rather than pdf. Mr Turner advised that Council has been unable to extract the complete General Ledger in Excel format due to the limitations of the software.

Mr Stonestreet advised that Council has made every effort to prepare the annual statements on time, the Director has prepared the Griffin Green accounting paper and provided an explanation to the NSW Audit Office regarding Council's inability to provide the data in Excel.

Mr Turner advised Council has submitted the Griffin Green accounting paper and the NSW Audit Office has the option to issue a misstatement or qualification should they be of a differing opinion.

Ms Brill suggested Council investigate providing remote access to the Audit Office to allow them to perform financial inquiries remotely in lieu of providing an Excel transaction listing.

Mr Stonestreet advised representatives from Council and the NSW Audit Office will work through the outstanding issues to find a workable solution. The audited financial statements are required to be provided to the Office of Local Government by 7 December 2024.

Mr Turner agreed to review the Griffin Green accounting paper. Mr Prowse offered National Audits Group services to assist with the review of the accounting paper.

Mr Heffer requested Committee members be updated on the outcome by email.

Ms Brown left the meeting the time being 5:46 pm.

CL01 STRATEGIC INTERNAL AUDIT PLAN, ANNUAL PLAN AND CORE REQUIREMENTS CHECKLIST

The Committee noted the information.

CL02 DRAFT AGENDA FORWARD PLAN

Mrs Austin advised that the Agenda Forward plan had been updated to reflect that the Asset Management Review would be presented to the Committee at the February meeting.

Mr Prowse advised that the auditors had attended onsite and met with the Director Business, Financial, Cultural Services and Council's Asset Management Coordinator. Further meetings have been scheduled for November and December with the finalised report including management responses to be presented to the Committee in February.

Action: Table on page 28 of the Agenda is to be updated.

Ms Radue suggested the Agenda Forward Plan could be expanded in future to incorporate responsibilities of the Committee as outlined in the Guidelines such as compliance, governance.

CL03 DRAFT ENGAGEMENT LETTER - WHS MANAGEMENT

The Committee considered the draft engagement letter for the WHS Management Audit as provided by National Audits Group.

Mr Heffer enquired if the proposed review on WHS Management is within budget? Mr Stonestreet advised it was.

RECOMMENDED on the motion of George Youssef and Dorian Radue that the Committee note the report.

CL04 GRALC SERVICE REVIEW

Mr Turner advised a Service Review had been conducted on the Griffith Regional Aquatic Leisure Centre by Morrison Low Consultants. Senior Management have prepared an implementation / action table addressing the proposed recommendations.

Mr Stonestreet advised Councillors would be provided the opportunity to give feedback and input. Mr Stonestreet further advised that the facility is a high risk area in terms of public safety and that management of staffing levels would need to meet the safety requirements.

Discussion took place regarding the 2020 user survey with consensus being that another survey should be undertaken in the near future.

Mr Stonestreet advised that should the recommendations within the report be adopted by Council, various industrial/human resource issues would need to be worked through.

RECOMMENDED on the motion of George Youssef and Helen Brill that the Committee notes and endorses the GRALC Service Review and associated Management Responses as attached to the report.

CL05 ROADS SERVICE REVIEW

Mr King provided an overview of the Roads Service Review undertaken this year by CT Management Group. Mr King advised the benchmarking was particularly useful and a number of recommendations had been provided.

RECOMMENDED on the motion of George Youssef and Dorian Radue that the Committee notes and endorses the Roads Service Review and associated Management Responses as attached to the report.

CL06 RISK MANAGEMENT ISSUES/UPDATE

Mr Stonestreet advised that Council officers are currently reviewing Council's Risk Appetite and the Risk Management Plan would be updated accordingly.

CL07 INVESTMENTS REPORT JULY AND AUGUST 2024

Mr Turner provided an overview of the July and August Investments Reports advising that

should the current trend continue, Council may exceed budget for the year.

Ms Radue enquired when the Investment policy is due to be reviewed and if the Audit, Risk and Improvement Committee would review the policy before Council adoption? Mr Turner advised that the Investment policy is in line with the Minister's orders and is reviewed once in the four year Council term.

It was agreed that the policy would be presented to the Committee by March 2025.

6 OUTSTANDING ACTION REPORT

The Committee discussed KPIs associated with the two previous Audits. Mr Prowse advised that KPIs for each audit are a requirement of the Risk Management and Internal Audit Guidelines.

1. Risk Management
 - a. Was the audit completed on time? Yes
 - b. Was the audit completed within budget? Yes
 - c. Were the recommendations meaningful? Yes
 - d. Will implementation of recommendations result in risk being reduced to as low as practicable? Yes
 - e. Were the scope and objectives of the audit achieved? Yes
2. Cyber Security and IT Controls
 - a. Was the audit completed on time? Yes
 - b. Was the audit completed within budget? Yes
 - c. Were the recommendations meaningful? Yes
 - d. Will implementation of recommendations result in risk being reduced to as low as practicable? Yes
 - e. Were the scope and objectives of the audit achieved? Yes

RECOMMENDED on the motion of George Youssef and Dorian Radue that the Committee note the report.

7 GENERAL BUSINESS

7.1 Committee Members

Mr Youssef enquired when Council would commence advertising for new members? Mr Stonestreet advised that as this is a Statutory Committee it may continue to operate while Council advertises for new members. Mrs Austin advised that Council will consider a report at its Ordinary Meeting 12 November in relation to this matter.

Discussion took place regarding the number of Committee members required and that increasing the number of members would provide more diversity of skills.

RECOMMENDED on the motion of Dorian Radue and Stuart Heffer that the Audit, Risk and Improvement Committee be comprised of five community representatives for the next term.

8 NEXT MEETING

The next meeting of the Audit, Risk and Improvement Committee is to be held on Wednesday, 5 February 2025 at 5:00 pm.

There being no further business the meeting terminated at 7:06 pm.

ATTACHMENTS

- (a) GRALC Service Review Report (Confidential) (Under separate cover)
- (b) GRALC Service Review Report (redacted version for public) (Under separate cover)
Road Service Review Report (Under separate cover)