



MINUTES

AUDIT, RISK AND IMPROVEMENT COMMITTEE HELD IN THE MURRAY ROOM ON WEDNESDAY, 20 AUGUST 2025 COMMENCING AT 5:00 PM

PRESENT

COMMITTEE MEMBERS

Stuart Heffer (Chair) (Community Representative), Dorian Radue (Community Representative), George Youssef (Community Representative - Zoom)

Absent: Councillor Christine Stead (non-voting)

Quorum = 3

NON-VOTING ATTENDEES

National Audits Group, Stephen Prowse, National Audits Group, Phil Swaffield, NSW Audit Office, Nicky Rajani

STAFF

General Manager, Brett Stonestreet, Director Economic & Organisational Development, Shireen Donaldson, Director Business, Cultural, Financial Services, Matthew Hansen and Governance Manager & Minute Secretary, Leanne Austin

1 APOLOGIES

Apologies were received from Helen Brill (Community Representative) and Senior WHS & Risk Coordinator, Raymond McCloy.

2 CONFIRMATION OF MINUTES

RECOMMENDED on the motion of Stuart Heffer and George Youssef that the minutes of the previous meeting held on 7 May 2025, 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 less than significant non-pecuniary interests declared.

5 ITEMS OF BUSINESS

CL15 was brought forward.

CL15 INTERIM MANAGEMENT LETTER - NSW AUDIT OFFICE

Mr Rajani advised that the NSW Audit Office auditors visited Griffith City Council recently and are working on the 2024/25 audit. The Interim Management Letter for the year ended 30 June 2025 was considered by the Committee. Mr Rajani stated there were four issues identified with management providing responses.

Mr Hansen advised Council staff will review current practices regarding some of the issues raised.

Mr Stonestreet advised that changes to processes are dependent on the availability of Council resources.

Mr Rajani advised the NSW Audit Office will continue to work with Council staff considering Council's risk appetite as to what is acceptable. Council's cash balance has been an issue and this will be monitored closely. The Audit Office will work with management regarding prior findings and update the Committee on progress.

RECOMMENDED on the motion of Stuart Heffer and George Youssef that the report be noted.

CL01 RISK MANAGEMENT FRAMEWORK

Mrs Donaldson advised training on Council's Risk Management Framework is now being rolled out to staff. Council is in the process of implementing a new CRM system and Intranet. The Risk Management Framework resources and tools will be made available to staff in an easy to use format.

Mrs Donaldson advised the Committee that a Business Continuity Plan exercise has been scheduled for later this year. Psychosocial training for staff is also continuing.

Ms Radue enquired about Council's risk register and risk reporting processes. Mrs Donaldson advised that Mr McCloy has compiled a risk register and an organisational risk assessment. These documents are being rolled out to staff as part of the training. Council is investigating ways to set prompts to ensure reviews are undertaken on a regular basis.

Mr Youssef stated his concerns with burnout of staff in light of the amount of work required to be done associated with implementation of new systems and the financial burden to Council.

Mrs Donaldson responded that management are aware and considerate of staff wellbeing. Budgets are monitored and training is provided inhouse where possible. A StateCover rebate assists Council by providing funding for wellbeing programs and training.

RECOMMENDED on the motion of Stuart Heffer and Dorian Radue that the Committee note

the progress made with Council's Risk Management Framework and associated documents.

CL02 INTERNAL AUDIT REPORTS - ACCOUNTS PAYABLE AND COUNCIL PROPERTY MANAGEMENT

Mr Prowse provided an overview of the Accounts Payable report. The audit opinion was that Council's Accounts Payable and Sundry Creditors activities are partially effective with ten recommendations for improvement being made. Mr Prowse acknowledged Council has a number of controls in place. Mr Prowse highlighted the fact that the accounting software Civica has its limitations in terms of functionality and that Council should start planning for an improved, cloud-based system.

Mrs Donaldson advised Council has investigated options and will be scheduling time next year with a view to upgrading to the Altitude product. Council will also engage with other Councils who have gone through the conversion process.

Mr Stonestreet added that Council needs to be mindful of budgetary constraints and that improvements will be made where possible.

Mr Hansen acknowledged that the changeover to Altitude will require a huge commitment in time and money.

Mr Rajani enquired if the audit had revealed any duplicate payments as the report mentioned duplicate records were identified.

Mr Prowse advised that duplicate creditor files had been created, however there was no evidence of duplicate payments or incorrect bank details. The implementation of the EFTsure software will provide another control in this area.

Mr Prowse provided an overview of the audit conducted on Council's Property Management. The audit opinion was that Council's Property Management activities are partially effective with 18 recommendations being made.

Mr Prowse suggested that Council prepare a Property Management Strategy and review the Land Register on a regular basis. The register should integrate with Council's GIS system to ensure properties align with Council data. Leases and licences that have been subsidised at less than commercial rates, should be identified and reported in the Annual Report.

RECOMMENDED on the motion of Stuart Heffer and George Youssef that the Committee endorse the Accounts Payable and Property Management audit reports, recommendations and action plan as attached to the report.

CL03 TERMS OF REFERENCE AND CHARTER

Mrs Austin advised that the Terms of Reference attached to the report encompassed the changes agreed on at the previous meeting. Mrs Radue provided a review of the Charter and proposed that the reference to Internal Audit Manager be changed to Internal Audit Coordinator.

RECOMMENDED on the motion of Dorian Radue and Stuart Heffer that the Committee adopt the Terms of Reference (Attachment a) and Charter (Attachment b) incorporating the proposed amendments.

CL04 DRAFT ANNUAL ASSESSMENTS AND ANNUAL ATTESTATION

Mrs Austin provided an overview of the Draft Annual Assessments for Internal Audit and Risk Management. The Draft Annual Assessment for Internal Audit is to be provided to

Committee members for comment by email.

Mr Stonestreet expressed his view that Council was compliant with its Risk Management and Internal Audit activities, while noting that the process was onerous given limited resourcing and the complex requirements of the Guidelines.

The Committee noted the Risk Management Annual Assessment and the Annual Attestation. The Annual Assessment of the internal audit function will be re-presented at the next meeting.

CL05 ENDORSEMENT OF GOVERNANCE FRAMEWORK

Mrs Austin advised that Council had recently endorsed the Governance Framework, Legislative Compliance Policy and Legislative Compliance Register.

Mrs Radue requested a copy of the OLG Compliance Calendar be provided to Committee members.

The Committee noted the report.

CL06 AGENDA FORWARD PLAN

Mr Prowse provided an update on the WHS Audit. Due to Council implementing the new Risk Management Framework, the WHS audit report has been put on hold, pending endorsement of new documentation. Internal auditors would be meeting with Council's Senior WHS & Risk Coordinator to gather more information, with the completed report to be issued in September.

RECOMMENDED on the motion of Stuart Heffer and George Youssef that the Agenda Forward Plan be noted.

CL07 CORE REQUIREMENTS CHECKLIST

Ms Radue enquired if there were any outstanding items. Mrs Austin advised that Council is on track and that the checklist is helpful to ensure Council is undertaking the requirements of the Guidelines. It was requested that updates be made in colour to make it easier for Committee members to identify new comments.

The Committee noted the report.

CL08 ITEMS LISTED IN SECTION 428 A OF THE LOCAL GOVERNMENT ACT 1993

Mrs Austin advised the report was presented to the Committee in order to meet the requirements of Section 428A of the Local Government Act 1993 as the Committee is required to have oversight of the following areas:

- (a) Compliance
- (b) Risk Management
- (c) Fraud Control
- (d) Financial Management
- (e) Governance
- (f) Implementation of Strategic Plan, Delivery Program and Strategies
- (g) Service Reviews
- (h) Collection of Performance Measurement Data by council

(i) Other matters.

Ms Radue requested a report be prepared on Council's Compliance Management system addressing its effectiveness and processes.

The Committee noted the report and requested that a report on Compliance Management and Council's compliance processes be presented to the November 2025 meeting.

CL09 INTEGRATED PLANNING AND REPORTING UPDATE

Mrs Austin advised that Council had met its Integrated Planning and Reporting requirements with the adoption of Council's Delivery Program, Operational Plan, Long Term Financial Plan, Workforce Management Plan and Asset Management Plan. Mr Stonestreet advised Council's Long Term Financial Plan indicates Council may need to consider another rate variation in future.

The Committee noted the report.

CL10 INQUIRY INTO LOCAL GOVERNMENTS TO FUND INFRASTRUCTURE AND SERVICES

Mr Stonestreet provided an overview of the Inquiry into Local Governments to Fund Infrastructure and Services.

Mr Hansen advised the Committee that new Guidelines had been released in relation to Council's Quarterly Reporting requirements.

The Committee noted the report.

CL11 INVESTMENT OF SURPLUS FUNDS POLICY

Mr Hansen advised Council's Investment of Surplus Funds policy will be reviewed along with all Business, Cultural, Financial Services directorate policies during this Council term. Although the policy requires formal adoption once a Council term, it also requires review by Council staff on an annual basis in line with the Ministerial Guidelines.

Mr Stonestreet advised that reconciliation of Council's investments are reported to Council on a monthly basis.

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

CL12 ENGAGEMENT LETTERS - DEPOT & STORES MANAGEMENT AND FLEET & PLANT MANAGEMENT

Mr Prowse advised that the Director Infrastructure and Operations had provided some feedback in relation to the engagement letters. Moving forward, the format of engagement letters will change in line with global internal audit standards.

RECOMMENDED on the motion of Stuart Heffer and George Youssef that the Committee endorse the Engagement Letters for Depot & Stores Management and Fleet & Plant Management.

CL13 SERVICE REVIEWS - UPDATE

Mr Stonestreet advised the gym will continue under GRALC management. Mrs Donaldson advised recruitment will resume for vacant positions and identified hours may be converted to permanent roles rather than current casual arrangements.

Ms Radue enquired about progress of the roads service review. Mr Stonestreet advised he would take this on notice however limited resources impact the ability to implement some of the recommendations. A further update will be provided in November.

The Committee noted the report.

14 OUTSTANDING ACTION REPORT

Mrs Radue enquired if any progress had been made with the cybersecurity audit. Mrs Donaldson advised she would follow this up for the next meeting.

The Committee noted the report.

6 GENERAL BUSINESS

Mr Heffer thanked Mr Stonestreet for his time on Council and the Audit, Risk and Improvement Committee, wishing him all the best for the future.

7 NEXT MEETING

The next meeting of the Audit, Risk and Improvement Committee will be held to consider the Annual Financial Statements.

Council will liaise with the NSW Audit Office regarding dates of the onsite visits and finalisation of the statements to allow presentation of the reports to Council by 31 October 2025.

It was proposed the next meeting will be held 22 October 2025 to review the annual financial statements however this date will be confirmed.

There being no further business the meeting terminated at 6:54 pm.

ATTACHMENTS

(a) Terms of Reference and Charter