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**AUDIT, RISK AND IMPROVEMENT COMMITTEE  
HELD IN MURRAY ROOM, GRIFFITH ON  
WEDNESDAY, 7 FEBRUARY 2024 COMMENCING AT 5:00 PM**

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**PRESENT**

Stuart Heffer (Chair) (Community Representative), George Youssef (Community Representative) via Zoom, Councillor Manjit Singh Lally, Dannielle Mackenzie (Crowe Australasia) via Zoom

Quorum = 2

**STAFF**

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

**1 APOLOGIES**

Apologies were received from Councillor Christine Stead (Councillor - Alternate), Stephen Prowse and Craig Richardson (National Audits Group), Hong Wee Soh (NSW Audit Office).

**2 CONFIRMATION OF MINUTES**

**RECOMMENDED** on the motion of George Youssef and Stuart Heffer that the minutes of the previous meeting held on 7 December 2023, 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**

CL06 was brought forward to allow Dannielle Mackenzie to address the Committee.

### **CL06 FINAL MANAGEMENT LETTER**

Ms Mackenzie addressed the Committee in relation to the Final Management letter issued by the NSW Audit Office.

Five matters remain unresolved from the previous year, with six new matters from the current year with two matters closed.

Ms Mackenzie advised Council had addressed issues relating to the timely preparation of financial year documents. Mr Saffioti responded that Council staff have already prepared this year's depreciation figures to ensure the required deadlines are met.

Ms Mackenzie advised that Council's Business Continuity Plan needs to be updated and tested as well as IT policies and cybersecurity issues reviewed. Council's level of unrestricted funds should also be closely monitored.

Mr Saffioti advised Council is giving its full attention to ensuring unrestricted funds are at a sustainable level. The Special Rate Variation will assist Council's position.

Mr Heffer enquired if having the revaluations completed by April is an issue for the auditors. Ms Mackenzie advised Council should make an assessment if there had been any material change in the two months to June and make note of this.

Ms Mackenzie advised Council's future audits would be provided through the NSW Audit Office and thanked Council and the Audit, Risk and Improvement Committee for all the assistance provided over the years.

Mr Stonestreet enquired about the rotation of the auditors and concerns regarding continuity of knowledge. Ms Mackenzie responded that there is a policy regarding rotation of auditors and that the NSW Audit Office is the continuing factor. The contract is reviewed every five years. Crowe Australasia will provide Council's files to the newly appointed auditors and provide other information if required.

*Shireen Donaldson entered the meeting at 5:13 pm.*

*Dannielle Mackenzie left the meeting, the time being 5:15 pm.*

Mr Saffioti expressed his concerns that an auditor had not yet been appointed to Council by the NSW Audit Office as it would be beneficial to meet to discuss the next audit process. Council staff are working towards having the pre-close data ready before June.

**RECOMMENDED** on the motion of Stuart Heffer and George Youssef that the Committee note the Final Management Letter.

### **CL01 DRAFT STRATEGIC INTERNAL AUDIT PLAN 2024-2029 AND ANNUAL PLAN 2024/25**

The Committee discussed the draft Strategic Internal Audit Plan and Annual Plan.

**RECOMMENDED** on the motion of Stuart Heffer and George Youssef that the Committee adopt the Draft Strategic Internal Audit Plan 2024-2029 and Annual Plan 2024/25.

## **CL02 ANNUAL REVIEW OF TERMS OF REFERENCE AND CHARTER**

**RECOMMENDED** on the motion of Stuart Heffer and George Youssef that the Terms of Reference and Charter as attached to the report be adopted with an amendment to remove Alan Shea from the Terms of Reference document.

## **CL03 INTERNAL AUDIT ENGAGEMENT LETTERS**

Mrs Austin advised the Committee that Council has signed off the Risk Management engagement letter and is awaiting a final engagement letter for the Cybersecurity audit.

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

## **CL04 RESIGNATION OF COMMITTEE MEMBER**

**RECOMMENDED** on the motion of George Youssef and Stuart Heffer that Council advertise for two new members to join the Committee and that a thank you letter be sent to Mr Shea for his contribution to the Committee.

## **CL05 FINANCIAL UPDATE**

Mr Saffioti provided an overview of the First Quarter Performance Report and advised staff are now working on the Second Quarter Performance Report.

Mr Stonestreet advised Council management are facing a significant challenge in identifying \$1M in savings for the 2024/25 budget.

Mr Saffioti provided an overview of the November and December Investments Report.

**RECOMMENDED** on the motion of George Youssef and Stuart Heffer that the Committee note the report.

## **CL07 OFFICE OF LOCAL GOVERNMENT REQUIREMENTS - CHECKLIST**

The Committee noted OLG requirements checklist and agreed that it be a standing agenda item.

## **6 GENERAL BUSINESS**

Nil.

## **7 NEXT MEETING**

The next meeting of the Audit, Risk and Improvement Committee is to be held on Wednesday, 1 May 2024 at 5:00 pm.

There being no further business the meeting terminated at 6:04 pm.

Confirmed: .....

CHAIRPERSON