

## Item 12: Reports from Committees

---

### 12.1 Audit Risk and Improvement Committee Minutes 14 May 2021

REPORT BY THE EXECUTIVE MANAGER, PEOPLE AND PERFORMANCE  
TO 16 JUNE 2021 ORDINARY MEETING  
GOV400087, COR400236

#### RECOMMENDATION

##### That Council:

1. receive the report by the Executive Manager, People and Performance on the Audit Risk and Improvement Committee Minutes 14 May 2021;
2. endorse the minutes and recommendations of the Audit Risk and Improvement Committee meeting 14 May 2021;
3. endorse the following ARIC meeting schedule for the next twelve months:
  - 6 August 2021
  - 26 November 2021
  - 25 February 2022
  - 20 May 2022
4. endorse the following internal audit plan for 2021/2022:
  - Conduct of Private Works
  - Audit of Tourism Services
  - Internal Development Application Process

---

#### Executive summary

This report is to advise Council of the matters given consideration at the meeting of the Audit Risk and Improvement Committee held on 14 May 2021.

#### Disclosure of Interest

Nil.

## Detailed report

The Audit Risk and Improvement Committee Charter requires the Committee to report to Council at the first opportunity (dependent on meeting schedules) after each meeting held. Attached to this report are the minutes of the 14 May 2021 meeting.

## Community Plan implications

<b>Theme</b>	<b>Good Governance</b>
Goal	An effective and efficient organisation
Strategy	Prudently manage risks association with all Council activities

## Strategic implications

### **Council Strategies**

Not Applicable.

### **Council Policies**

Audit Risk and Improvement Committee Charter  
Internal Audit Policy

### **Legislation**

Not Applicable.

## Financial implications

Not Applicable.

## Associated Risks

Nil.

MICHELE GEORGE  
EXECUTIVE MANAGER, PEOPLE AND  
PERFORMANCE

19 May 2021

*Attachments:* 1. 14 May 2021 Audit Risk and Improvement Committee Minutes.

### APPROVED FOR SUBMISSION:

BRAD CAM  
GENERAL MANAGER

## Minutes of the Audit, Risk and Improvement Committee

Held at the Council Chambers, 86 Market Street, Mudgee  
on 14 May 2021, commencing at 9:30AM and concluding at 10:27AM.

COMMITTEE MEMBERS PRESENT: John Stuart – Chair; John Bentley – Committee Member.

MWRC STAFF PRESENT: Brad Cam – General Manager; Michele George – Executive Manager People & Performance; Leonie Johnson – Chief Financial Officer; Ian Blake – Manager ICT; Richard Cushway – Manager Customer Services & Governance; Tim Johnston – Governance Coordinator; Alison Shumack – Risk Officer; Erin Reid – Business Improvement Officer (Minute Taker).

INVITATIONS VIA TELECONFERENCE: Alison Lee – Crowe; Luke Malone – Prosperity.

### Item 1: Apologies

#### 1.1 APOLOGIES

#### MOTION: Bentley/Stuart

The following apologies were accepted:

- Cr John O’Neill, Council Representative;
- Unaib Jeffrey – NSW Audit Office; and
- Kate Barker – Minute Taker.

### Item 2: Disclosure of Interest

There were no disclosures of interest.

### Item 3: Confirmation of Minutes

#### MOTION: Bentley/Stuart

The Audit Risk and Improvement Committee resolved to amend the Minutes of the 12 February 2021 ARIC Meeting at 5.3 as follows:

That the Audit Risk and Improvement Committee note the report by the Manager Governance.

*The Committee provided direction that Council should focus on the legislative registers and external reporting.*

No other changes were recorded and the changes were accepted as written.

#### Item 4: Matters in Progress

SUBJECT	REPORT NO. & DATE	RESOLUTION	ACTION
Work Health and Safety Reports	5.1 – 12 February 2021	The Audit Risk and Improvement Committee requested the State Cover Report be presented at the next meeting.	<b>For review at the 14 May 2021 ARIC Meeting.</b>  Please see report 5.1 of this agenda.
Draft External Audit Engagement	6.4 – 12 February 2021	<b>That the Audit Risk and Improvement Committee:</b> a) endorse the draft 2020 External Audit Engagement Plan; and b) endorse the proposed ARIC meeting dates in line with the Audit Engagement Plan as follows: <ul style="list-style-type: none"><li>• Draft Financial Statements to be circulated to ARIC prior to the Council meeting of August 2021;</li><li>• Financial Statements to be circulated to ARIC prior to the Council Meeting of October 2021.</li></ul>	Please see report 6.5 of this agenda.
Enterprise Risk Management	5.1 – 15 May 2020	Note that the Enterprise Risk Management Framework will be reviewed annually.	6 August 2021 ARIC Meeting.

#### Item 5: Standing Items

##### 5.1 WORK HEALTH AND SAFETY REPORTS

COR400236, COR400243

##### **MOTION: Bentley/Stuart**

##### **The Audit Risk and Improvement Committee:**

1. received the WHS Report for the following months:
  - a. January;
  - b. February;
  - c. March; and
2. received the StateCover WHS Report 2020 and StateCover Verification Audit 2020.

*The motion was carried with the Committee Members voting unanimously.*

9:44AM Luke Malone, Prosperity joined the meeting

5.2 UPDATE ON MWRC AUDIT AND BUSINESS IMPROVEMENT  
ACTION ITEMS

COR400236, COR400236

**MOTION: Bentley/Stuart**

The Audit Risk and Improvement Committee noted the progress on the Action Items for the:

- Internal Audit;
- Business Improvement; and
- External Audit action items.

*The motion was carried with the Committee Members voting unanimously.*

9:47AM Alison Lee, Crowe joined the Meeting

5.3 FRAUD INCIDENT & PROCUREMENT BREACH REGISTERS

COR400236, COR400236

**MOTION: Bentley/Stuart**

The Audit Risk and Improvement Committee:

1. noted that there were no fraud incidents since the last ARIC meeting; and
2. noted there were three incidents of Procurement Breaches and the actions taken to address the items.

*The motion was carried with the Committee Members voting unanimously.*

5.4 ENTERPRISE RISK MANAGEMENT UPDATE

COR400236, COR400243

**MOTION: Stuart/ Bentley**

The Audit Risk and Improvement Committee noted the Enterprise Risk Management update.

*The motion was carried with the Committee Members voting unanimously.*

5.5 LEGISLATIVE COMPLIANCE UPDATE

COR400236, COR400243

**MOTION: Bentley/Stuart**

The Audit Risk and Improvement Committee noted the report by the Manager Governance.

*The motion was carried with the Committee Members voting unanimously.*

**Item 6: Reports**

6.1 2020/21 FINANCIAL STATEMENT PROJECT PLAN  
COR400236, COR400243

**MOTION: Stuart/ Bentley**

The Audit Risk and Improvement Committee noted the financial reporting project plan. Feedback was provided to the Chief Financial Officer for consideration in preparing the 2020/21 Financial Statements for Council.

*The motion was carried with the Committee Members voting unanimously.*

6.2 INTERNAL AUDIT PROGRESS UPDATE  
COR400236, COR400243

**MOTION: Bentley/Stuart**

The Audit Risk and Improvement Committee received the Crowe Status Report.

*The motion was carried with the Committee Members voting unanimously.*

6.3 CYBERSECURITY AUDIT  
COR400236, COR400236

**MOTION: Bentley/Stuart**

The Audit Risk and Improvement Committee noted the Report by the ICT Manager.

*The motion was carried with the Committee Members voting unanimously.*

6.4 NEXT MEETING DATES AND AUDIT PLAN 2021/22  
COR400236, COR400236

**MOTION: Bentley/Stuart**

The Audit Risk and Improvement Committee:

1. endorsed the forward 12 month meeting plan, including meeting dates as follows:
  - 6 August 2021;
  - 26 November 2021;
  - 25 February 2022;
  - 20 May 2022; and
2. endorsed the 3 year Strategic Internal Audit Program.

*The motion was carried with the Committee Members voting unanimously.*

6.5 INTERIM MANAGEMENT LETTER FOR MID-WESTERN  
REGIONAL COUNCIL FOR YEAR ENDING 30 JUNE 2021  
COR400236, COR400236

**MOTION: Bentley/Stuart**

**The Audit Risk and Improvement Committee:**

1. received the 2020/21 Financial Statements Interim Management Letter; and
2. noted the auditor recommendations and management responses.

**The Chair requested that in the future the management letters from the NSW Audit Office be sent to him directly.**

*The motion was carried with the Committee Members voting unanimously.*

**Item 7: General Business**

Nil

**Item 8: Correspondence**

Nil

**Item 9: Closure**

There being no further business the meeting concluded at 10:27AM.