

Item 12: Reports from Committees

12.1 Audit Risk and Improvement Committee Minutes 26 November 2021

REPORT BY THE EXECUTIVE MANAGER, PEOPLE AND PERFORMANCE
TO 16 FEBRUARY 2022 ORDINARY MEETING
GOV400087, COR400236, GOV400098

RECOMMENDATION

That Council:

1. receive the report by the Executive Manager, People and Performance on the Audit Risk and Improvement Committee Minutes 26 November 2021; and
 2. endorse the minutes and recommendations of the Audit Risk and Improvement Committee meeting 26 November 2021.
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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 26 November 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 26 November 2021 meeting.

Community Plan implications

Theme	Good Governance
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

10 January 2022

Attachments: 1. Audit Risk and Improvement Committee Minutes - 26 November 2021.

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 26 November 2021, commencing at 10.32am and concluding at 12.30pm

COMMITTEE MEMBERS PRESENT ARIC Chair J Stuart, Independent Member J Bentley, Committee Member (Alternate) P Shelley.

COUNCIL OFFICIALS PRESENT General Manager B Cam, Executive Manager People and Performance M George, Chief Financial Officer L Johnson, Manager ICT I Blake, Manager Customer Services and Governance R Cushway, Manager Finance N Bungate, Governance Coordinator T Johnston, Minute Taker K Barker

EXTERNAL PARTIES PRESENT Crowe A Lee, Prosperity L Malone, NSW Audit Office U Jeffrey

Item 1: Apologies

01/21 MOTION Bentley / Stuart

That the apologies for the absence of Committee members and Council Officials be received and leave of absence granted.

The following apologies were accepted:

- Councillor Member J O'Neill
- Business Improvement Officer E Reid

The motion was carried with the Committee Members voting unanimously

Item 2: Disclosure of Interest

There were no disclosures of interest

Item 3: Confirmation of Minutes

02/21 MOTION Bentley / Stuart

The Minutes of the previous ARIC Meeting held on 6 August 2021 be taken as read and confirmed.

The motion was carried with the Committee Members voting unanimously

Item 4: Matters in Progress

Audit, Risk and Improvement Committee

SUBJECT	REPORT NO. & DATE	RESOLUTION	ACTION
Enterprise Risk Management	5.1 – 15 May 2020	Note that the Enterprise Risk Management Framework will be reviewed annually.	It was noted at the 06 August 2021 ARIC meeting that the review was due to be reported to ARIC at the August 2021 meeting however with the Local Government elections being held on 4 September 2021, the review will be delayed to ensure it is in keeping with any potential changes in direction that could be a consequence of newly elected members. Refer to report 6.1

The Chair moved forward items 5.3 and 6.6 in the agenda.

03/21 5.3 FINANCIAL STATEMENTS 20/21 & ENGAGEMENT CLOSING REPORT 2021
COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee received the Financial Statements for the financial year ended 30 June 2021.

Luke Malone thanked the Chief Financial Officer and acknowledged the challenges presented by COVID.

The Chair congratulated the Chief Financial Officer, MWRC Finance Team and MWRC and Committee Member (Alternate) P Shelley acknowledged MWRC staff for results relating to Financial Statements 20/21 and Engagement Closing Report.

The motion was carried with the Committee Members voting unanimously.

04/21 6.6 DATA BREACH
COR400236, FIN300291

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee noted the data breach and changes to controls recommended to manage risk.

The motion was carried with the Committee Members voting unanimously.

10:55AM, Luke Malone, Prosperity, and Unaib Jeffrey, NSW Audit Office left the meeting

Item 5: Audit

05/21 5.1 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.

06/21 5.2 AUDIT OF TOURISM SERVICES
COR400236, COR400236

MOTION: STUART/BENTLEY

The Audit, Risk and Improvement Committee received the report on the Audit of Tourism Services and noted the actions required.

The motion was carried with the Committee Members voting unanimously.

07/21 5.4 UPDATE ON AUDIT ACTION ITEMS
COR400236, COR400236

MOTION: STUART/BENTLEY

The Audit, Risk and Improvement Committee noted the progress on the internal and external action items.

The Chair acknowledged the updated reporting format developed by the Business Improvement Officer.

The motion was carried with the Committee Members voting unanimously.

Item 6:

Risk

08/21

6.1 ENTERPRISE RISK MANAGEMENT UPDATE

COR400236, COR400236

MOTION: BENTLEY/STUART

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

The motion was carried with the Committee Members voting unanimously.

09/21

6.2 WORK HEALTH AND SAFETY REPORTS

COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee noted the WHS Reports.

The motion was carried with the Committee Members voting unanimously.

10/21

6.3 LEGISLATIVE COMPLIANCE

COR400236, COR400243

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee:

1. noted the Legislative Compliance report; and
2. considered a revised legislative compliance framework road map to be presented at the 25th February 2022 meeting.

The Governance Coordinator presented a demonstration of the Legislative Compliance Database.

The motion was carried with the Committee Members voting unanimously.

11/21

6.4 FRAUD INCIDENT & PROCUREMENT BREACH REGISTERS

COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit Risk and Improvement Committee noted:

1. that there was one attempted fraud incident since the last ARIC meeting;
2. that there were two incidents of Procurement Breach; and
3. the actions taken to address the items.

The motion was carried with the Committee Members voting unanimously.

12/21 6.5 REVIEW OF CONTROLS OVER HIGH RISK FRAUD AREA
COR400236, COR400272

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee noted the controls that are in place around areas defined as high risk of fraud.

The motion was carried with the Committee Members voting unanimously.

Item 7: Improvement

13/21 7.1 EMPLOYEE SURVEY RESULTS
COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee noted the employee survey results.

The motion was carried with the Committee Members voting unanimously.

14/21 7.2 INTEGRATED PLANNING AND REPORTING GUIDELINES
COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee noted the role of the Committee as outlined in the new Integrated Planning and Reporting Guidelines.

The Executive Manager People and Performance acknowledged the contribution of the Business Improvement Officer.

The motion was carried with the Committee Members voting unanimously.

15/21 7.3 BUSINESS IMPROVEMENT AT MWRC
COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee noted the update on the Business Improvement program at MWRC.

The motion was carried with the Committee Members voting unanimously.

16/21 7.4 UPDATE ON BUSINESS IMPROVEMENT ACTION ITEMS
COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee noted the progress on the Business Improvement action items.

The motion was carried with the Committee Members voting unanimously.

Item 8: General Business

17/21

8.1 DRAFT GUIDELINES FOR RISK MANAGEMENT AND
INTERNAL AUDIT FRAMEWORK FOR LOCAL COUNCILS IN
NSW

COR400236, COR400236

MOTION: BENTLEY/STUART

The Audit, Risk and Improvement Committee:

- 1. noted the draft *Guidelines for risk management and internal audit for local councils in NSW*; and**
- 2. noted the decision of Council to not provide a submission to the OLG on the guidelines**

The motion was carried with the Committee Members voting unanimously.

12:00PM Alison Lee, Crowe left the meeting.

Item 9: Closure

There being no further business the meeting concluded at 12.30pm.