

Item 12: Reports from Committees

12.1 Audit Risk and Improvement Committee Minutes 25 February 2022

REPORT BY THE EXECUTIVE MANAGER, PEOPLE AND PERFORMANCE
TO 20 APRIL 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 25 February 2022 ; and
 2. endorse the minutes and recommendations of the Audit Risk and Improvement Committee meeting 25 February 2022.
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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 25 February 2022.

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 25 February 2022 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

Local Government Act 1993

Financial implications

Not applicable

Associated Risks

Nil

MICHELE GEORGE
EXECUTIVE MANAGER, PEOPLE AND
PERFORMANCE

16 March 2022

Attachments: 1. 25 February 2022 - ARIC 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 25 February 2022, commencing at 9:33AM and concluding at 11:20AM.

COMMITTEE MEMBERS PRESENT ARIC Chair J Stuart, Independent Member J Bentley.

COUNCIL OFFICIALS PRESENT General Manager (Brad Cam), Executive Manager People and Performance (Michele George), Manager ICT (Ian Blake), Manager Customer Services & Governance (Richard Cushway), Business Improvement Officer (Erin Reid), Acting Chief Financial Officer (Neil Bungate), Director Operations (Julian Geddes), Emergency Management Officer (Alayna Gleeson).

EXTERNAL PARTIES PRESENT Prosperity (Luke Malone), Crowe (Alison Lee), (NSW Audit Office) Unaib Jeffrey.

1.1 LATE REPORT: AUDIT RISK AND IMPROVEMENT COMMITTEE CHARTER, MEMBERSHIP AND ELECTION OF THE CHAIR AND DEPUTY CHAIR

COR400236, COR400236

01/22 MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee

- 1. Received the report on the Audit Risk and Improvement Committee Charter, Membership and Election of the Chair and Deputy Chair;**
- 2. Note the administrative changes to the Audit Risk and Improvement Committee Charter;**
- 3. Elect John Stuart as it's Chairperson; and**
- 4. Elect John Bentley as its Deputy Chair.**

The motion was carried with the Committee Members voting unanimously.

Item 1: Apologies

Apologies were received for the absence of Councillors Katie Dicker, Peter Shelley and Simon Jones.

02/22 MOTION: Bentley / Stuart

That the apologies for the absence of Councillors Katie Dicker, Peter Shelley and Simon Jones be received and leave of absence granted.

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

03/22 MOTION: Bentley / Stuart

That the Minutes of the previous ARIC Meeting held on 26 November 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	MINUTE NO. & DATE	RESOLUTION	ACTION
5.1 Enterprise Risk Management	15 May 020	Note that the Enterprise Risk Management Framework will be reviewed annually.	<p>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.</p> <p>It was noted at the 26 November 2021 ARIC meeting that the Risk Officer has commenced Maternity Leave and this has now delayed the ability to update the register in Pulse and set review deadlines as per our Risk Management Procedure. Refer to report 6.1</p>

SUBJECT	MINUTE NO. & DATE	RESOLUTION	ACTION
6.3 Legislative Compliance	10/21 26 November 2021	The Audit, Risk and Improvement Committee: 2. consider a revised legislative compliance framework road map to be presented at the 25 th February 2022 meeting.	The Manager Customer Services and Governance will be presenting a revised legislative compliance framework road map at this meeting. Refer to report 6.3

Item 5: Audit

5.3 UPDATE ON EXTERNAL AUDIT ACTION ITEMS
 COR400236, COR400236

04/22 **MOTION: Bentley / Stuart**

That the Audit, Risk and Improvement Committee note the progress on the external action items.

The motion was carried with the Committee Members voting unanimously.

5.5 DRAFT 2021/22 EXTERNAL AUDIT ENGAGEMENT
 COR400236, COR400243

05/22 **MOTION: Bentley / Stuart**

That the Audit Risk and Improvement Committee:
 a) **endorse the draft 2021/22 External Audit Engagement Plan; and**
 b) **schedule an ARIC meeting between 7 October and 19 October 2022 in accordance with the draft 2021/22 External Audit Engagement Plan.**

The motion was carried with the Committee Members voting unanimously.

10:00AM Unaib Jeffrey, NSW Audit Office left the meeting.

7.3 COUNCILS ROLE IN DISASTERS AND EMERGENCIES
 COR400236, COR400236

06/22 **MOTION: Bentley / Stuart**

That the Audit, Risk and Improvement Committee note the plan for managing the lessons learnt for Council's role in Disasters and Emergencies.

The motion was carried with the Committee Members voting unanimously.

10:12AM Alayna Gleeson, Emergency Management Officer left the meeting.

5.1 INTERNAL AUDIT PROGRESS UPDATE

COR400236, COR400243

07/22

MOTION: Bentley / Stuart
That the Audit, Risk and Improvement Committee receive the Crowe Internal Audit Status Report.

The motion was carried with the Committee Members voting unanimously.

5.2 UPDATE ON INTERNAL AUDIT ACTION ITEMS

COR400236, COR400236

08/22

MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee note the progress on the internal action items and the rolling demands on the staff progressing the items.

The motion was carried with the Committee Members voting unanimously.

Item - 5.3 Update on External Audit Action Items – was moved up the agenda.

5.4 CONDUCT OF PRIVATE WORKS REVIEW

COR400236, COR400236

09/22

MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee receive the report on Conduct of Private Works Review and note the actions required.

The motion was carried with the Committee Members voting unanimously.

Item - 5.5 Draft 2021/22 External Audit Engagement - was moved up the agenda.

10:25AM Luke Malone, Prosperity left the meeting.

Item 6: Risk

6.1 ENTERPRISE RISK MANAGEMENT UPDATE

COR400236, COR400236

10/22

MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee note the Enterprise Risk Management update.

The motion was carried with the Committee Members voting unanimously.

6.2 WORK HEALTH AND SAFETY REPORTS

COR400236, COR400236

11/22 MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee note the WHS Reports for:

- November 2021;
- December 2021; and
- January 2022.

The motion was carried with the Committee Members voting unanimously.

6.3 LEGISLATIVE COMPLIANCE

COR400236, COR400243

12/22 MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee:

1. note the Legislative Compliance report; and
2. support the revised legislative compliance framework road map.

The motion was carried with the Committee Members voting unanimously.

6.4 FRAUD INCIDENT & PROCUREMENT BREACH REGISTERS

COR400236, COR400236

13/22 MOTION: Bentley / Stuart

That the Audit Risk and Improvement Committee note:

1. that there was one fraud incident since the last ARIC meeting;
2. that there were no incidents of Procurement Breach since the last ARIC meeting; and
3. the actions taken to address the items.

The motion was carried with the Committee Members voting unanimously.

Item 7: Improvement

7.2 UPDATE ON BUSINESS IMPROVEMENT ACTION ITEMS

COR400236, COR400236

14/22 MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee note the progress on the Business Improvement action items.

The motion was carried with the Committee Members voting unanimously.

8.1 ARIC ANNUAL WORKPLAN AND FOUR YEAR STRATEGIC PLAN AND UPDATE ON THE DRAFT RISK MANAGEMENT AND INTERNAL AUDIT FOR LOCAL COUNCILS GUIDELINES.
COR400236, COR400236

15/22 MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee:

1. note the report on the ARIC Annual Work plan and Four Year Strategic Plan and update on the Draft Risk Management and Internal Audit for Local Councils Guidelines; and
2. determined to wait for the commencement of the guidelines and develop the annual work plan and four year strategic plan in the 22/23 financial year.

The motion was carried with the Committee Members voting unanimously.

10:42AM General Manager (Brad Cam), Executive Manager People and Performance (Michele George), Manager ICT (Ian Blake), Manager Customer Services & Governance (Richard Cushway), Acting Chief Financial Officer (Neil Bungate), Director Operations (Julian Geddes) left the meeting.

7.1 BUSINESS IMPROVEMENT AT MWRC
COR400236, COR400236

16/22 MOTION: Bentley / Stuart

That the Audit, Risk and Improvement Committee:

1. receive the report on Business Improvement at MWRC;
2. support Council's Business Improvement Framework; and
3. note the three year Business Improvement Work plan proposal.

The motion was carried with the Committee Members voting unanimously.

11:00AM Executive Manager People and Performance (Michele George) returned to the meeting.

Item - 7.2 Update on Business Improvement Action Items - was moved up the agenda.

Item - 7.3 Councils Role in Disasters and Emergencies – was moved up the agenda.

Item 8: General Business

Item - 8.1 ARIC Annual Work plan and Four Year Strategic Plan and update on the Draft Risk Management and Internal Audit for Local Councils Guidelines – was moved up the agenda.

Item - 1.1 Late Report: Audit Risk and Improvement Committee Charter, Membership and Election of the Chair and Deputy Chair – was moved up the agenda.

Item 9: Closure

There being no further business the meeting concluded at 11:30AM.