Item 12:   Reports from Committees

12.1   Audit Risk and Improvement Committee Minutes - 24 November 2023

REPORT BY THE DIRECTOR COMMUNITY
TO 13 DECEMBER 2023 ORDINARY MEETING
GOV400103, COR400236

RECOMMENDATION

That Council:

1.   receive the report by the Director Community on the Audit Risk and Improvement Committee Minutes - 24 November 2023; and

2.   endorse the minutes and recommendations of the Audit Risk and Improvement Committee meeting 24 November 2023.

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 24 November 2023.

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 24 November 2023 meeting.

Community Plan implications

Theme	Good Government
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

SIMON JONES
DIRECTOR COMMUNITY

27 November 2023

Attachments: 1.   Minutes ARIC Meeting 24 November 2023.

APPROVED FOR SUBMISSION:

BRAD CAM
GENERAL MANAGER

Mid-Western Regional Council   Date: 24 November 2023

Minutes of the Audit, Risk and Improvement Committee
Held at the Council Chambers, 86 Market Street, Mudgee
on 24 November 2023, commencing at 9:30AM and concluding at 11:16AM.

COMMITTEE MEMBERS PRESENT	ARIC Chair J Stuart, Committee Member K Dicker, Independent Member J Bentley.
COUNCIL OFFICIALS PRESENT	Director Community (Simon Jones), Director Corporate Services (Leonie Van Oosterum), WHS and Risk Coordinator (Veronika Barry), Manager People and Performance (Sharna Ross), Governance Coordinator (Ashleigh Marshall), Business Improvement Officer (Erin Reid), Cyber Security Engineer (Christopher Carter), and Executive Assistant - Community (Christie Holt).
EXTERNAL PARTIES PRESENT	Director Corporate Assurance, Prosperity (Luke Malone), Audit Leader – Financial Audit, NSW Audit Office (Cassie Malone).

Item 1:   Apologies

58/23   **MOTION:**   **Bentley / Dicker**

That the apologies for:
- **General Manager (Brad Cam),**
- **Director Development (Alina Azar),**
- **Director Operations (Julian Geddes),**
- **Chief Financial Officer (Neil Bungate),**
- **Manager ICT (Ian Blake)**

be accepted.

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

59/23   **MOTION:**   **Bentley / Dicker**

That the Minutes of the previous ARIC Meeting held on 25 August 2023 be taken as read and confirmed.

The motion was carried with the Committee Members voting unanimously.

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Chair

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Item 4:   Matters in Progress

60/23   **MOTION:**   Dicker / Bentley

That the Audit Risk and Improvement Committee note Minute no. 41/22, and 19/23 as completed.

The motion was carried with Committee Members voting unanimously.

SUBJECT	MEETING DATE	RESOLUTION NO.	RESOLUTION	ACTION
Enterprise Risk Management Update	12/08/2022	41/22	**MOTION:** Dicker / Bentley **That the Audit, Risk and Improvement Committee note the Enterprise Risk Management update.** **The Committee requested that the Mid-Western Regional Council's organisation structure be presented to ARIC once complete in TechOne.**	**28 Sep 2022** ER - The Organisational Hierarchy is being updated by the Finance Team for the purposes of moving TechOne to CI anywhere. This work has progressed to the test environment and once completed the committee will be provided with an update. **10 Aug 2023** Refer to Report 8.1 for the organisational structure, **RECOMMENDED FOR COMPLETION**
Annual Report by the Committee Chair	17/02/2023	19/23	**MOTION:** Bentley / Dicker **The Audit, Risk and Improvement Committee noted the 2021/2022 ARIC Annual Report.** The Chair raised the issue of redacting/removing signatures from official documents. A policy and procedure will be investigated further by Council Staff.	**28 Feb 2023** A policy and procedure will be investigated further re redacting or removing signatures from official documents. **10 May 2023** This matter continues to be investigated by Manager Customer Services and Governance **18 Jul 2023** SJ - Director Community advised amendments made to the Electronic Signature Procedure,

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Chair

Mid-Western Regional Council   Date: 24 November 2023

				in circumstances where a signature is required on an official document this would not be redacted or removed. For ARIC Annual Reports, signatures are not required. **10 Aug 2023** Annual Report complete and checked by Chair. No requirement for Chair signature for this document. Refer to report 8.2. of this agenda., **RECOMMENDED FOR COMPLETION**
Draft Financial Statements 2022/2023	25/08/2023	46/23	**MOTION: Dicker / Bentley** **That the Audit, Risk and Improvement Committee note that:** 1. the Draft Financial Statements for the financial year ended 30 June 2023 had not been finalised; and 2. the statements will be circulated next week on completion with feedback to be provided.	**27 Oct 2023** 25.8.2023 Neil Bungate update - draft financial statements not yet complete for ARIC meeting 25.8.2023. Leonie has advised John Stuart Chair a copy will be circulated for feedback when ready., 15.11.2023 Financial Statements were presented at Council meeting and Annual Report for 2022/23 including Financial Statements was also included in the agenda for the Council meeting.
Enterprise Risk Management Update	25/08/2023	47/23	**MOTION: Dicker / Stuart** **That the Audit, Risk and Improvement Committee note the Enterprise Risk Management update.** *At the next meeting, Veronika Barry, WHS and Risk Coordinator will*	**27 Oct 2023** Business Continuity included in the Enterprise Risk Management Update report for 24 November 2023 ARIC meeting and a visual map of the Business Continuity practices that have been adopted, and the

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Mid-Western Regional Council   Date: 24 November 2023

			present a visual map of the Business Continuity practices that have been adopted, and the relationship between Business Continuity and the wider Risk Management Framework.	relationship between Business Continuity and the wider Risk Management Framework will be presented.
2023/24 Operational Plan and 2023/27 Delivery Program	25/08/2023	54/23	**MOTION:** Bentley / Dicker **That the Audit, Risk and Improvement Committee note the 2023/24 Operational Plan and 2023/27 Delivery Program.** *The Committee noted that the wrong page was in the document for depreciation of urban roads. This was noted by staff who advised that the process that caused the error will be corrected.*	**12 Sep 2023** Neil to advise if this has been corrected. (The wrong page was in the document for depreciation of urban roads. This was noted by staff who advised that the process that caused the error will be corrected.) **06 Nov 2023** 27.10.2023 Christie emailed Neil to check if this has been corrected. Response not yet received. **20 Nov 2023** Neil to follow up today.

Items brought forward:

61/23   **MOTION:**   **Bentley / Dicker**

That item 5.3 Financial Statements 2022/2023, item 7.2 Annual Report 2022/23, and item 6.5 Cyber Security Report be brought forward.

The motion was carried with the Committee Members voting unanimously.

5.3   FINANCIAL STATEMENTS 2022/2023

COR400236, COR400236

62/23   **MOTION:**   **Dicker / Bentley**

That the Audit, Risk and Improvement Committee receive the Financial Statements for the financial year ended 30 June 2023.

The Chair and Leonie Van Oosterum thanked Luke Malone and his team at Prosperity for their efforts working with us for the past 5 years. The Chair

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Chair

congratulated everyone involved on a very good results and the Deputy Chair and Committee Member endorsed the Chair's words.

The motion was carried with the Committee Members voting unanimously.

7.2   ANNUAL REPORT 2022/23

COR400236, COR400236

63/23   **MOTION: Bentley / Dicker**

That the Audit, Risk and Improvement Committee note the Annual Report for the year ending 2022/23.

The motion was carried with the Committee Members voting unanimously.

6.5   CYBER SECURITY REPORT

COR400236, COR400236

64/23   **MOTION: Bentley / Dicker**

That the Audit, Risk and Improvement Committee receive the report and accept the future body of work for the next 6 months cyber improvement program.

The Chair thanked Christopher Carter for his efforts and the Deputy Chair and Committee Member endorsed the Chair's words and added they were comfortable with the statements.

The motion was carried with the Committee Members voting unanimously.

Item 5:   Audit

5.1   INTERNAL AUDIT PROGRAM STATUS REPORT

COR400236, COR400243

65/23   **MOTION: Bentley / Dicker**

That the Audit, Risk and Improvement Committee receive the Crowe Internal Audit Program Status Report.

The motion was carried with the Committee Members voting unanimously.

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5.2 AUDIT PLAN 2023/24 - INTERNAL AUDIT - DEVELOPMENT APPLICATIONS FUND MANAGEMENT

COR400236, COR400236

66/23   **MOTION:** Bentley / Dicker

That the Audit, Risk and Improvement Committee endorse the Audit Plan for Internal Audit of Development Applications Fund Management from Crowe.

The motion was carried with the Committee Members voting unanimously.

Item - 5.3 Financial Statements 2022/2023 - has been moved to another part of the document.

Item 6:   Risk

6.1 ENTERPRISE RISK MANAGEMENT UPDATE

COR400236, COR400236

67/23   **MOTION:** Dicker / Bentley

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

The Deputy Chair thanked Veronika Barry for the work she is doing, well done.

The motion was carried with the Committee Members voting unanimously.

6.2 WORK HEALTH AND SAFETY REPORTS

COR400236, COR400236

68/23   **MOTION:** Bentley / Dicker

That the Audit, Risk and Improvement Committee note the WHS Reports for August 2023, September 2023, and October 2023.

The motion was carried with the Committee Members voting unanimously.

6.3 LEGISLATIVE COMPLIANCE BREACHES

COR400236, GOV400047

69/23   **MOTION:** Bentley / Dicker

That the Audit, Risk and Improvement Committee note:

  1. **four legislative breaches have been added to the register; and**

  2. **four legislative breaches previously reported remain open; and**

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3. three legislative breaches have been closed.

The motion was carried with the Committee Members voting unanimously.

6.4   FRAUD INCIDENT & PROCUREMENT BREACH REGISTERS
COR400236, COR400236

70/23   **MOTION:**   **Dicker / Bentley**

That the Audit Risk and Improvement Committee note that:

1. **there were two suspected fraud incidents since the last ARIC meeting; and**
2. **there were no identified Procurement Breach incidents since the last ARIC meeting.**

The motion was carried with the Committee Members voting unanimously.

Item - 6.5 Cyber Security Report - has been moved to another part of the document.

Item 7:   Improvement

7.1   UPDATE ON BUSINESS IMPROVEMENT AT COUNCIL
COR400236, COR400236

71/23   **MOTION:**   **Bentley / Dicker**

That the Audit, Risk and Improvement Committee note the progress of the Business Improvement program.

The motion was carried with the Committee Members voting unanimously.

Item - 7.2 Annual Report 2022/23 - has been moved to another part of the document.

Item 8:   General Business

Nil

Simon Jones noted that at the next meeting we will discuss a review of the ARIC and it's charter.

Item 9:   Closure

There being no further business the meeting concluded at 11:16AM.

The next Audit, Risk and Improvement Committee will be held on the Friday, 23 February 2024 at Council Chambers, 86 Market Street, Mudgee.

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Chair