

PRESENT

Mr Bryce McNair (Chairperson)
Mrs Carolyn Rosetta-Walsh
Ms Rachel Harris
Councillor Michael Henderson
Councillor Rod Kendall

IN ATTENDANCE

General Manager (RP-1 to RP-3)	Peter Thompson
Chief Financial Officer	Carolyn Rodney
Manager Governance and Risk	Ingrid Hensley
Risk Management and Insurance Officer	Cathy Wade
Supervisor Contract Services (RP-2 to RP-17)	Melinda Conolly
Director Community (RP-10)	Janice Summerhayes
Manager Environment & Regulatory Services (RP-10)	Mark Gardiner
Director Strategy & Projects (RP-6)	Phil McMurray
NSW Audit Office, Director, Financial Audit (RP-6 to RP-16)	Lawrissa Chan
NSW Audit Office, Senior Auditor (RP-2 to RP-9)	Karthik Krishnamoorthy
Manager Information & Communications Technology Services (RP-3)	Reece Hamblin

The meeting of the Audit, Risk and Improvement Committee commenced at 8.03am.

ACKNOWLEDGEMENT OF COUNTRY

Wagga Wagga City Council acknowledges the traditional custodians of the land, the Wiradjuri people, and pays respect to Elders past, present and future and extends our respect to all First Nations Peoples in Wagga Wagga.

We recognise and respect their cultural heritage, beliefs and continuing connection with the land and rivers. We also recognise the resilience, strength and pride of the Wiradjuri and First Nations communities.

APOLOGIES

The Mayor, Councillor Dallas Tout was an apology for the meeting.

CONFIRMATION OF MINUTES

CM-1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MINUTES

Recommendation:

On the Motion of Councillor R Kendall and C Rosetta-Walsh

That the Minutes of the proceedings of the Audit, Risk and Improvement Committee Meeting held on 6 October 2022 be confirmed as a true and accurate record, noting that the recommendations contained in the minutes of that meeting were endorsed by Council at its Ordinary Meeting on 17 October 2022.

CARRIED

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

DECLARATIONS OF INTEREST

No declarations of interest were received.

REPORTS

RP-1 GENERAL MANAGER'S UPDATE

Recommendation:

On the Motion of Councillor M Henderson and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee receive and note the update provided by the General Manager in relation to the recent flood event, risk issues related to road conditions and internal audit resourcing.

CARRIED

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

Supervisor Contract Services, Melinda Conolly entered the meeting the time being 8.15am.

Manager Information & Communications Technology Services, Reece Hamblin, entered the meeting the time being 8.32am.

Director of Projects, Phil McMurray, entered the meeting the time being 8.33am.

RP-2 RIVERINA JOINT ORGANISATION STRUCTURE UPDATE

Recommendation:

On the Motion of Councillor R Kendall and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee:

- a note the discussions which are occurring in relation to the Riverina Joint Organisation**
- b receive a further report once any updated information on the status of methods for regional collaboration in the Riverina and the impact on the Audit, Risk and Improvement Committee is available**

CARRIED

The Committee received an update from the General Manager on the legislative requirements of the current structure and status of the Joint Organisation. It was noted that Council's JO membership is not currently a major risk within the Committee's remit.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

RP-3 CHAIRPERSON REPORT ON THE INSTITUTE OF INTERNAL AUDITORS AUDIT AND RISK COMMITTEE FORUM OCTOBER 2022

Recommendation:

On the Motion of B McNair and R Harris

That the Audit, Risk and Improvement Committee:

- a receive and note the report**
- b request copies of reports provided to the Executive relating to cyber security, including updates of the cyber security maturity assessments**
- c amend the ARIC Planning Schedule for 2023 to include a report from the Manager Information and Communications Technology Services in relation to Cyber Security or other emerging ICT risks at the May and November 2023 meetings**

CARRIED

The Chairperson advised that cyber security was identified as a significant trending threat. The Chairperson recommended that Committee members be familiar with the AICD document referenced in RP-17. The Manager Information & Communications Technology Services provided information on how the organisation is progressing its cyber security maturity.

Clarification was sought on how Council becomes aware of cyber security incidents and issues and how Council goes about addressing them.

RECORD OF VOTING ON THE MOTION

For the Motion

- B McNair
- R Kendall
- M Henderson
- C Rosetta-Walsh
- R Harris

Against the Motion

Reece Hamblin, vacated the meeting the time being 8.55am.

Peter Thompson, vacated the meeting the time being 8.55am

RP-4 CAPITAL WORKS UPDATE

Recommendation:

On the Motion of Councillor M Henderson and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee receive and note the contents of the report.

CARRIED

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

RP-5 BRIDGE ATTRIBUTE DATA

Recommendation:

On the Motion of Councillors M Henderson and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee receive and note the report.

CARRIED

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

RP-6 PROJECT MANAGEMENT METHODOLOGY

Recommendation:

On the Motion of Councillors C Rosetta-Walsh and M Henderson

That the Audit, Risk and Improvement Committee receive and note the report.

CARRIED

The Committee discussed the report and sought clarification on the reporting of high-risk projects which relate to Council's strategic priorities and how assurance can be provided to the Council. Director of Projects, Phil McMurray, provided an update to the Committee. The Committee requested information on the timeline.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

Phil McMurray vacated the meeting the time being 9.05am

RP-7 SEPTEMBER 2022 QUARTERLY BUDGET REVIEW

Recommendation:

On the Motion of Councillor M Henderson and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee note the Quarterly Budget Review for the quarter ended 30 September 2022 reported to Council at the 17 October 2022 Council meeting.

CARRIED

NSW Audit Office, NSW Audit Office, Director, Financial Audit, Lawrissa Chan and Senior Auditor, Karthik Krishnamoorthy, entered the meeting the time being 9.07am.

RP-8 2021/22 NSW AUDIT OFFICE FINAL MANAGEMENT LETTER

Recommendation:

On the Motion of Councillors C Rosetta-Walsh and M Henderson

That the Audit, Risk and Improvement Committee receive and note the NSW Audit Office Management Letter on the Final Phase of the Audit for the year ended 30 June 2022.

CARRIED

The NSW Audit Office provided an overview of the high-risk items in particular and a response from Council was provided in relation to completion dates for items 2-6. The Committee reviewed the report and staff advised that financial institutions have not been consulted on whether the modified audit opinion would impact proposed loan borrowings for this financial year. This will be tested when staff go out to the market closer to the end of this financial year for planned loan borrowings.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson

Against the Motion

C Rosetta-Walsh
R Harris

Karthik Krishnamoorthy vacated the meeting the time being 9.14am.

**RP-9 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING DATES
AND PLANNING SCHEDULE 2023**

Recommendation:

On the Motion of R Harris and R Kendall

That the Audit, Risk and Improvement Committee approve the meeting schedule and planning schedule for 2023, subject to confirmation of availability.

CARRIED

Members noted the proposed change to the date of the February from 16 February to 23 February 2023.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

Karthik Krishnamoorthy vacated the meeting the time being 9.16am.

Manager Environment and Regulatory Services, Mark Gardiner, entered the meeting the time being 9.20am.

Director Community, Janice Summerhayes, entered the meeting the time being 9.20am.

RP-10 PFAS REMOVAL IN WAGGA WAGGA

Recommendation:

On the Motion of Councillors M Henderson and R Kendall

That the Audit, Risk and Improvement Committee receive and note the Report.

CARRIED

An update was provided by the Manager Environment and Regulatory Services including the timeline and status of remediation works and noted Council's limited role.

The Committee considered the risk chain and noted that the health studies are an international issue.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

Mark Gardiner vacated the meeting the time being 9.29am

RP-11 ARIC ACTION REGISTERS (RESOLUTION REGISTER ARIC MEETINGS)

Recommendation:

On the Motion of Councillors M Henderson and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee receive and note the report.

CARRIED

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

RP-12 COMMITTEE MEETING MINUTES PROTOCOLS

Recommendation:

On the Motion of Councillors R Harris and B McNair

That the Audit, Risk and Improvement Committee receive a further report to the May 2023 Audit, Risk and Improvement Committee (ARIC) meeting in relation to amendments to the 'Minutes' section of the ARIC Charter and incorporating feedback from the December 2022 and February 2023 trial.

CARRIED

RECORD OF VOTING ON THE MOTION

For the Motion

Against the Motion

- B McNair
- R Kendall
- M Henderson
- C Rosetta-Walsh
- R Harris

RP-13 INTERNAL AUDIT UPDATE

Recommendation:

On the Motion of Councillors R Kendall and R Harris

That the Audit, Risk and Improvement Committee:

- a note the progress of the internal/external audits underway**
- b note the current resource arrangements for the Chief Audit Executive role**

CARRIED

The Committee noted a further report will be presented in February 2023 in relation to the internal audit undertaken.

RECORD OF VOTING ON THE MOTION

For the Motion

Against the Motion

- B McNair
- R Kendall
- M Henderson
- C Rosetta-Walsh
- R Harris

RP-14 INTERNAL AUDIT IMPROVEMENT INITIATIVES

Recommendation:

On the Motion of Councillors M Henderson and R Kendall

That the Audit, Risk and Improvement Committee:

- a note the status of the Internal Audit recommendations for quarter 1 of 2022/23**
- b note the following requests for revision to audit action target dates:**

Audit Recommendation Reference	Original Target Date	Request
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1	IA2021/22-07 Revenue Collection and Debt Recovery	30 June 22	30 June 23
	<p>a) the adjustments to the General Ledger in the monthly bank reconciliation (carried forward from December 2020) are investigated and cleared.</p> <p>b) monthly Bank reconciliation, the Property and Rating and General Ledger reconciliations (Income & Debtor) are performed in a consistent manner, reviewed by an independent staff member in Finance and documented each month.</p>		
2	IA2021/22-07 Revenue Collection and Debt Recovery	31 October 22	31 March 23
	<p>a) a report is generated from Weigh-more solutions on the access logs for overriding/deleting dockets from 11 August 2021 for a specific time period to check with the manual diary maintained at the GWMC to ensure the changes made to the source document (dockets) were permissible.</p> <p>b) to implement a system approval process when overriding docket information at GWMC either through Weigh-more Solutions or manually to maintain authenticity.</p>		
3	IA2021/22-07 Revenue Collection and Debt Recovery	30 September 22	30 June 23
	<p>a) recipient created invoices are recorded separately in Finance One when invoices are received as well as when money is remitted to the Council, to report outstanding debtor balances for recyclable waste.</p> <p>b) once the recipient created invoices are received for recyclable waste sales it is validated with reference to the GWMC weigh bridge report.</p>		

CARRIED

The Committee discussed its role in relation to monitoring the implementation of improvement initiatives agreed by management in response to the recommendations of internal audit and other reviews. Members considered that future changes to audit action target dates as requested by management should be noted by the Committee and that concerns in relation to action on particular items should be addressed through a request to the General Manager for a specific presentation by applicable staff.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh

Against the Motion

R Harris

RP-15 CORPORATE RISK REGISTER UPDATE

Recommendation:

On the Motion of Councillors M Henderson and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee:

- a note the progress of the review of the Strategic Risk Register**
- b receive an updated report at the next available Audit, Risk and Improvement Committee meeting**

CARRIED

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

RP-16 BUSINESS CONTINUITY PLAN TEST

Recommendation:

On the Motion of Councillors C Rosetta-Walsh and R Harris

That the Audit and Risk Committee receive and note the report

CARRIED

Members noted the generally encouraging results of the test exercise.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

RP-17 GOVERNANCE AND RISK UPDATE

Recommendation:

On the Motion of Councillors B McNair and M Henderson

That the Audit, Risk and Improvement Committee receive and note the report

CARRIED

The Manager Governance and Risk also provided an update in relation to Child Safe legislative changes.

RECORD OF VOTING ON THE MOTION

For the Motion

B McNair
R Kendall
M Henderson
C Rosetta-Walsh
R Harris

Against the Motion

QUESTIONS WITH NOTICE

QWN-1- The Chairperson, Bryce McNair, requested information about the use of clause 4.6 of the Standard Instrument LEP by Council as a consent authority. This was referred to in the NSW Independent Commission Against Corruption (ICAC)'s Inquiry into allegations of impropriety at Canterbury Council (Operation Dasha). The Chairperson also requested that the matter be added to the Internal Audit Universe.

The Audit, Risk and Improvement Committee rose at 10.01am.