

PRESENT

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

IN ATTENDANCE

Chief Audit Executive	Melinda Connolly
Chief Financial Officer	Carolyn Rodney
Manager Corporate Governance and Performance	David Galloway
Corporate Governance Coordinator	Nicole Johnson
Risk Management and Insurance Officer	Daniel Tallar

The meeting of the Audit, Risk and Improvement Committee commenced at 8:02pm.

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.

DECLARATIONS OF INTEREST

No declarations of interest were declared.

PROCEDURAL MOTION - ENGLOBO

Recommendation:

On the Motion of R Harris and Councillor M Henderson

That the Audit, Risk and Improvement Committee adopt RP-7 and RP-12 as recommended in the business papers.

CARRIED

CONFIRMATION OF MINUTES

CM-1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MINUTES

Recommendation:

On the Motion of Councillor M Henderson and B McNair

That the Minutes of the proceedings of the Audit, Risk and Improvement Committee Meeting held on 22 February 2024 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 25 March 2024.

CARRIED

REPORTS

RP-1 GENERAL MANAGER'S UPDATE

Recommendation:

On the Motion of Councillors R Kendall and B McNair

That the Audit, Risk and Improvement Committee:

- a receive and note the update provided by the General Manager**
- b receive an update on PFAS at the next ARIC meeting**

CARRIED

The Committee considered a report from the General Manager in relation to the Transgrid Acquisitions, Wagga Wagga Airport Lease and the illegal horse knackery at Wagga. The Committee discussed concerns regarding risks associated with the status of the airport and the process to resolve the matter. The Committee noted the finalisation of the RRL Riverina Regional Library Asset division dispute including the future completion of the RRL Financial Statements. The Committee requested an update on PFAS by the General Manger at the next ARIC meeting.

Senior Financial Accountant Zac Wilson entered the meeting the time being 8:40am.

Manager Information & Communications Technology Services, Reece Hamblin entered the meeting the time being 8:45am.

RP-2 INFORMATION AND COMMUNICATIONS TECHNOLOGY UPDATE

Recommendation:

On the Motion of Councillors B McNair and C Rosetta-Walsh

That the Audit, Risk and Improvement Committee:

- a receive and note the Cyber Security and Information and Communications Technology update**
- b request that Council as a priority approve and recruit required resources in Information and Communication Technology Services**

CARRIED

Council’s Manager Information and Communications Technology Services, provided an overview on progress made to date on cyber security, including the development of cyber risk appetite statements. The Committee raised concern in relation to the resources available to deliver the identified action items.

The Committee also noted work undertaken to address the NSW Audit Office recommendations on the audit log issue and Council’s asset management system. The Chairperson emphasised the Committee’s role in overseeing mitigation strategies and the need to ensure reasonable levels of resourcing are allocated to addressing the risk. The meeting requested that Council focus on approval and recruitment of resources to address controls and actioning all plan items not just the high priorities.

Investment Advisor, Arlo Advisory, Michael Chandra entered the meeting at 8:40am.

RP-3 PRESENTATION FROM COUNCIL'S EXTERNAL INVESTMENT ADVISOR - ARLO ADVISORY

Recommendation:

On the Motion of Councillors B McNair and M Henderson

That the Audit, Risk and Improvement Committee note the presentation from Council’s independent investment advisor, Arlo Advisory.

CARRIED

The Committee received a presentation from Council’s independent Investment Advisor, covering Council’s investment portfolio, its compliance and risk profile. An overview of future/ongoing strategies was provided, including options concerning the investment policy and ethical investment, noting the balance between ethical obligation and the best return for the community. The Committee noted the pleasing result in a volatile market.

Reece Hamblin vacated the meeting the time being 9:04am.

Zac Wilson vacated the meeting the time being 9:05am.

RP-4 MARCH 2024 QUARTERLY BUDGET REVIEW

Recommendation:

On the Motion of Councillors R Harris and M Henderson

That the Audit, Risk and Improvement Committee note the Quarterly Budget Review for the quarter ended 31 March 2024 reported to Council at the 29 April 2024 Council meeting.

CARRIED

The Committee received an update from Council’s Chief Financial Officer, outlining Council’s financial health, budget considerations, rate peg announcement and timing of reports. The Committee was advised of the reason behind the increase in legal expenses and were provided with an update on the service review program, particularly relating to the Development Assessment Division.

RP-5 CAPITAL WORKS UPDATE

Recommendation:

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

That the Audit, Risk and Improvement Committee:

- a receive and note the contents of the report**
- b request an update at the next meeting on the capital work program and budget outlining what has been delivered over the past 3 years and what will be delivered over the next three years**

CARRIED

The Committee considered the status of the current projects and update on the Capital Works Program, noting the recent review of the Long-Term Financial Plan and confirmed works program and one-off capital projects. The Committee raised ongoing concern regarding Council’s ability to deliver those projects, requesting a report to the next meeting on what was budgeted and what was delivered over the past three years and what is proposed over the next three years.

RP-6 PEOPLE & CULTURE UPDATE

Recommendation:

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

That the Audit, Risk and Improvement Committee receive and note the People & Culture update.

CARRIED

The Committee discussed staff turnover and labour market challenges, noting Council’s continuing effort and improved success in recruiting.

RP-7 INTEGRATED PLANNING AND REPORTING (IP&R) - DRAFT DOCUMENTS FOR EXHIBITION

Recommendation:

On the Motion of R Harris and Councillor M Henderson

That the Audit, Risk and Improvement Committee:

- a receive and note the report**
- b note Council's endorsement of the draft Operational Plan 2024/25, draft Fees and Charges 2024/25 and draft Long Term Financial Plan 2024/25 noting the public exhibition period of 14 May 2024 to 10 June 2024**

RP-8 GOVERNANCE AND RISK UPDATE

Recommendation:

On the Motion of B McNair and Councillor M Henderson

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

CARRIED

RP-9 BUSINESS CONTINUITY PLAN REVIEW AND TEST

Recommendation:

On the Motion of Councillors R Harris and B McNair

That the Audit Risk and improvement Committee

- a receive and note the Post Exercise Report from Marsh Pty Ltd following the Business Continuity Test exercise held on 19 March 2024, noting the recommendations and Council's response and action**
- b endorse the revised Business Continuity Plan**
- c endorse the reviewed Business Continuity Policy (POL 081)**

CARRIED

The Committee commended management for the post exercise report from Marsh Pty Ltd on the recent Business Continuity Plan test exercise. The report commended Council's high level of maturity to manage a business continuity event.

RP-10 ARIC ACTION REGISTERS (RESOLUTION REGISTER ARIC MEETINGS)

Recommendation:

On the Motion of R Harris and Councillor M Henderson

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

CARRIED

RP-11 INTERNAL AUDIT UPDATE

Recommendation:

On the Motion of Councillor M Henderson and B McNair

That the Audit, Risk and Improvement Committee:

- a note the Internal Audit update**
- b note the progress of internal audits on the 2023/24 Internal Audit Plan**
- c note the status of the Audit Unit Register**

CARRIED

The Committee commented on the need for resources either internal and/or external to ensure audits are done. Members expressed frustration with the lack of audits undertaken over the past few years.

RP-12 IMPROVEMENT INITIATIVES DATABASE

Recommendation:

On the Motion of R Harris and Councillor M Henderson

That the Audit, Risk and Improvement Committee:

- a note the status of the Improvement Initiatives Database**
- b endorse the revised target dates**
- c note the progress in relation outstanding action items**

CARRIED

RP-13 CEMETERY OPERATIONS - INTERNAL AUDIT REPORT

Recommendation:

On the Motion of Councillors B McNair and R Harris

That the Audit, Risk and Improvement Committee:

- a receive and note the report from the Cemetery Operations at Wagga Wagga City Council Internal Audit**
- b congratulate the Chief Audit Executive on the report**
- c request a review and revision of audit recommendation timeframes**

CARRIED

The Chief Audit Executive explained the new regulations and the complexities and resources required to implement the new legislative requirements relating to cemeteries and crematoria. The Committee was advised that Council's operations are complaint and are well advanced compared to the rest of the sector in the implementation of new regulations. The Committee recommended that action dates be revised in consultation with staff to ensure realistic and achievable timeframes.

RP-14 EXTERNAL QUALITY ASSESSMENT REPORT

Recommendation:

On the Motion of C Rosetta-Walsh and R Harris

That the Audit, Risk and Improvement Committee receive and note the report from the External Quality Assessment undertaken by the Institute of Internal Auditors.

CARRIED

The Chief Audit Executive provided an overview of the External Quality Assessment undertaken by the Institute of Internal Auditors including the gap analysis of the revised Global Standards and update to the Internal Audit Charter to reflect the new global standards. The Committee noted the external assessment was well done, with a reasonable report, and communication on work to be done. The Committee requested the development of a checklist and inclusion of items in the Action Items Register with target deadlines.

RP-15 AMENDMENTS TO THE LOCAL GOVERNMENT (GENERAL) REGULATION 2021 - REVISED ARIC AND INTERNAL AUDIT CHARTERS

Recommendation:

On the Motion of Councillors R Harris and B McNair

That the Audit, Risk and Improvement Committee:

- a recommend that Council adopt the revised version of the ARIC Charter**
- b approve the revised version of the Internal Audit Charter**

CARRIED

The Chief Audit Executive provided an overview of amendments to the Local Government (General) Regulations 2021, in particular provisions relating to the structure and function of the Committee and the development of the revised draft ARIC Charter and Internal Audit Charter for the Committees approval. The Committee noted updated terminology, new processes and additional documentation, approving both Charters and recommending the Audit Risk and Improvement Committee Charter to Council for adoption. The Committee discussed provisions relating to Councillor membership of the ARIC. Council will need to appoint a non-voting member of the Committee from 1 July 2024.

QUESTIONS WITH NOTICE

No Questions with Notice were received.

The Audit, Risk and Improvement Committee rose at 9:50am.