

PRESENT

Ms Margaret Nicholls (Chairperson)
Mr Adrian Lindner
Mr Bryce McNair
Mr David Rosetta

IN ATTENDANCE

The Mayor, Councillor Greg Conkey OAM (RP-1 to RP-10)	
General Manager	Peter Thompson
Chief Audit Executive	Kaushie Jaya
Chief Financial Officer	Carolyn Rodney
Director, Financial Audit NSW Audit Office (RP-3 to RP-5)	Lawrissa Chan
Director Projects (RP-1 to RP-9)	Scott Barber
Director Infrastructure Services (RP-10 & RP-11)	Warren Faulkner
Chief Operating Officer (RP-16)	Scott Gray
Manager Information, Communication Technology Services (RP-16)	Reece Hamblin
Manager Council Businesses (RP-19)	Darryl Woods
Airport Facility Manager (RP-19)	Leon Burger
Manager Risk and Governance	Ingrid Hensley
Corporate Governance Coordinator	Nicole Johnson
Risk and Insurance Officer	Cathy Wade

The meeting of the Audit, Risk and Improvement Committee commenced at 8.00am.

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

Apologies for non-attendance were received accepted by the Committee for The Mayor, Councillor Greg Conkey OAM, Councillor Rod Kendall, Councillor Dallas Tout, Sherry Reynell (NSW Audit Office) and Greg Parkes(NSW Audit Office).

THANKS AND APPECIATION

The Chairperson expressed on behalf of the Committee, thanks and appreciation to Councillor Committee members and the Mayor for their ongoing support and contribution to the Committee over the term of the Council.

The Mayor, Councillor Greg Conkey OAM, on behalf of Council, thanked the Chair and the Committee and expressed appreciation to the Committee for their significant contribution over the term of the Council.

CONFIRMATION OF MINUTES

CM-1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MINUTES

Recommendation:

On the Motion of A Lindner and B McNair

That the Minutes of the proceedings of the Audit, Risk and Improvement Committee Meeting held on 7 October 2021 be confirmed as a true and accurate record, noting that the recommendations contained in the minutes of that meeting, together with the ARIC Annual Report, were endorsed by Council at its Ordinary Meeting on 25 October 2021.

CARRIED

DECLARATIONS OF INTEREST

No declarations of interest were received.

PROCEDURAL MOTION - ENGLOBO

Recommendation:

On the Motion of D Rosetta and M Nicholls

That the Audit, Risk and Improvement Committee adopt RP-1, RP-6 and RP-8 and RP-18 as recommended in the business papers.

CARRIED

REPORTS

RP-1 BUSINESS ARISING FROM ARIC MEETING ON 20 MAY 2021

Recommendation:

On the Motion of D Rosetta and M Nicholls

That the Audit, Risk and Improvement Committee note the actions being taken to address outstanding business from previous Committee meetings, including the most recent meeting on 7 October 2021.

CARRIED

RP-2 GENERAL MANAGER'S UPDATE

Recommendation:

On the Motion of D Rosetta and A Lindner

That the Audit, Risk and Improvement Committee receive and note the update provided by the General Manager including:

- **Lake Albert water management**
- **Organisational structure changes**
- **Update on litigation matters**

CARRIED

Director, Financial Audit NSW Audit Office, Lawrissa Chan entered the meeting the time being 8:10am.

RP-3 SEPTEMBER 2021 QUARTERLY BUDGET REVIEW

Recommendation:

On the Motion of D Rosetta and B McNair

That the Audit, Risk and Improvement Committee note the Quarterly Budget Review for the quarter ended 30 September 2021 reported to Council at the 25 October 2021 Council meeting.

CARRIED

RP-4 RIVERINA REGIONAL LIBRARY - 2020/21 FINANCIAL STATEMENTS

Recommendation:

On the Motion of D Rosetta and B McNair

That the Audit, Risk and Improvement Committee:

- a receive and note the 2020/21 Riverina Regional Library Financial Statements**
- b receive the 2020/21 Riverina Regional Library Financial Statements management letter at the February 2022 ARIC Meeting**

CARRIED

RP-5 2020/21 NSW AUDIT OFFICE FINAL MANAGEMENT LETTER

Recommendation:

On the Motion of Councillors A Lindner and D Rosetta

That the Audit, Risk and Improvement Committee:

- a receive and note the NSW Audit Office Management Letter on the Final Phase of the Audit for the year ended 30 June 2021**
- b express concern in relation to “management action issue one - timeliness of infrastructure property and equipment capitalisation” and request that it be given priority attention with the aim of completion ideally prior to 30 June 2022**

CARRIED

Director, Financial Audit NSW Audit Office, Lawrissa Chan vacated the meeting the time being 8:20am.

RP-6 ARIC ACTIONS REGISTER

Recommendation:

On the Motion of D Rosetta and M Nicholls

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

CARRIED

RP-7 GOVERNANCE AND RISK UPDATE

Recommendation:

On the Motion of A Lindner and B McNair

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

CARRIED

RP-8 CAPITAL WORKS UPDATE

Recommendation:

On the Motion of Councillors D Rosetta and M Nicholls

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

CARRIED

RP-9 AUDIT - COMMUNITY RECYCLING CENTRE - GREGADOO WASTE MANAGEMENT CENTRE

Recommendation:

On the Motion of M Nicholls and B McNair

That the Audit, Risk and Improvement Committee receive and note the audit report on the Community Recycling centre carried out in May 2021.

CARRIED

Director of Projects, Mr Scott Barber vacated the meeting the time being 8.30am.

Director Infrastructure Services, Mr Warren Faulkner entered the meeting the time being 8.30am.

RP-10 BRIDGE REGISTER

Recommendation:

On the Motion of D Rosetta and A Lindner

That the Audit and Risk Committee:

- a receive and note the report**
- b receive an update by the last quarter of 2022 on the progress of populating the electronic asset management systems with the required bridge attribute data**

CARRIED

RP-11 INTERNAL AUDIT REPORT - EXTRACTIVE SITES REVIEW

Recommendation:

On the Motion of M Nicholls and A Lindner

That the Audit, Risk and Improvement Committee receive and note the Extractive Sites Review final audit report.

CARRIED

Director Infrastructure Services, Mr Warren Faulkner vacated the meeting the time being 9.07am.

RP-12 INTERNAL AUDIT UPDATE

Recommendation:

On the Motion of B McNair and D Rosetta

That the Audit Risk and Improvement Committee:

- a note the progress of the internal audit activity underway**
- b approve the change requests to the annual audit program from Q2 to Q4 for one audit**
- c receive and note the RMS review internal audit report.**
- d receive and note the gallery shop cash/EFT handling audit report.**
- e receive and note the results of the Committee's self-assessment survey results.**
- f receive and note the Committee's assessment of Internal Audit survey results.**
- g note the corrective actions taken on the Quality Assessment Analysis.**

- h note the new guidelines released by OLG on Use and management of Credit Cards and oversight by Audit, Risk and Improvement Committee
- i note the Integrated Planning and Reporting Framework changes released by OLG and oversight by Audit, Risk and Improvement Committee

CARRIED

RP-13 INTERNAL AUDIT IMPROVEMENT INITIATIVES

Recommendation:

On the Motion of M Nicholls and A Lindner

That the Audit, Risk and Improvement Committee:

- a note the current status of the pending Internal Audit recommendations
- b approve the following requests for revision to audit action target dates

	Audit Recommendation Reference	Original Target Date	Request
1	IA 2018-19 - 4 Annual Maintenance & Renewal Program 3.9 - Maintenance requirements for new assets, including gifted assets, is incorporated into the budgeting process.	2020/2021	Request to be completed by 31/12/2022
2	IA 2018-19 - 11 User Access (Council-wide systems) 3.1 Review of Role Based Access Controls	28/02/2019	Revised target date 31 December 2021
3	IA 2018-19 - 11 User Access (Council-wide systems) 6.1 Security Incident Response Plan	30/06/2019	Revised Target Date 31 December 2021
4	2020/21 AO NSW Interim Management letter Issue 3: IT policies and procedures	30/09/2021	Revised Target 31 December 2021
5	2020/21 AO NSW Interim Management letter Issue 3 current year: Disaster Recovery Plan (DRP) testing	30/09/2021	Revised Target 31 December 2021
6	CA2018-1 Development Contributions	30/04/2019	Revised Target Date 30/03/2022

3.1.8 – policies and procedures associated to development contributions		
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- c encourage management to prioritise Audit actions 1,2 and 3 (as above) with a detailed update to be received at the February 2022 ARIC meeting**
- CARRIED**

RP-14 CORPORATE RISK REGISTER

Recommendation:
On the Motion of A Lindner and M Nicholls

That the Audit, Risk and Improvement Committee:

- a endorse the current Strategic Corporate Risk Register**
- b note the endorsed future review process to be undertaken in early/mid 2022**
- c receive the revised Corporate Risk Register at the May 2022 meeting**
- d highlight members’ concerns in relation to the ongoing financial sustainability of Council and suggest consideration of a Special Rate Variation for the maintenance of infrastructure**

CARRIED

RP-15 BUSINESS CONTINUITY PLAN TEST AND IT DISASTER RECOVERY PLAN

Recommendation:
On the Motion of A Lindner and D Rosetta

That the Audit and Risk Committee:

- a receive and note the report.**
- b receive an update on the recommended actions at the February 2022 ARIC Meeting**

CARRIED

Manager Information & Communications Technology Services, Mr Reece Hamblin entered the meeting the time being 9.36am.

Chief Executive Officer Scott Gray entered the meeting the time being 9.47.

RP-16 IT ACCESS CONTROLS

Recommendation:

On the Motion of A Lindner and B McNair

The Audit, Risk and Improvement Committee:

- a note the updates from the ongoing IT access controls recommendations by previous audits**
- b receive and note the additional information provided in relation to both the Riverina Water County Council and Wagga Wagga City Council cyber incidents**

CARRIED

Chief Operating Officer, Scott Gray and Manager Information & Communications Technology Services, Reece Hamblin vacated the meeting the time being 9.56am.

RP-17 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING DATES AND PLANNING SCHEDULE 2022

Recommendation:

On the Motion of B McNair and M Nicholls

That the Audit, Risk and Improvement Committee:

- a approve the meeting schedule and planning schedule for 2022, subject to confirmation of availability.**
- b receive the outcome of the employee opinion survey at the February ARIC Meeting**

CARRIED

RP-18 CODE OF CONDUCT STATISTICS

Recommendation:

On the Motion of Councillors B McNair and M Nicholls

That the Audit, Risk and Improvement Committee note the contents of this report, to be presented to the Ordinary Meeting of Council on 29 November 2021.

CARRIED

RP-19 PRESENTATION - AIRPORT MANAGER

Recommendation:

On the Motion of Councillors A Lindner and M Nicholls

That the Audit, Risk and Improvement Committee:

- a note the presentation by the Airport Manager, Leon Burger**
- b highlight the current financial, operational and strategic risks for the Airport**
- c note the need to resolve the Airport lease negotiations**
- d note the lack of funding from Federal Government in relation to the maintenance of the airport and currency of the assets to comply with regulatory standards**

CARRIED

QUESTIONS WITH NOTICE

No Questions With Notice were received.

At this stage of meeting all staff excluding the Chief Audit Executive (CAE), Ms Kaushie Jaya vacated the meeting for an in-camera meeting with the CAE as per the approved annual internal audit plan, the time being 10:30am.

The Audit, Risk and Improvement Committee rose at 11.15am.