

**Minutes of Audit, Risk and Improvement Committee Meeting held on 17 May 2023 at
Leichhardt Service Centre and via Microsoft Teams**

Meeting commenced at 5.40 pm

Prior to the meeting, the Audit Risk & Improvement Committee Members met in-camera.

PRESENT

Independent Member – Chair	John Gordon
Independent Member	Mark Sercombe
Independent Member	Ilona Meyer
Councillor	Clr Philippa Scott
Councillor	Clr Liz Atkins
Other attendees	
General Manager	Peter Gainsford
Director Corporate	Kelly Loveridge
Director Planning	Simone Plummer
Director Infrastructure	Ryann Midei
Director Community	Ruth Callaghan
Senior Manager Capital Works	Stuart Hull *
Corporate Strategy and Engagement Manager	Prue Foreman *
Chief Financial Officer	Daryl Jackson
Financial Partnering and Analytics Manager	Chris Sleiman
Financial Reporting and Control Manager	Aigul Utegenova
Senior Manager People and Culture	Helen Lyons *
WHS and Wellbeing Manager	Rami Ali *
Manager Strategic Investments and Property	Scott Mullen *
Senior Manager Governance and Risk	Beau-Jane De Costa
Risk and Audit Manager	Justin Lucas
Risk and Audit Officer – Minute taker	Ngairé Meekan
Director, Financial Audit, NSW Audit Office	David Daniels *
Internal Ombudsman	Dhamendra Unka *
Assistant Internal Ombudsman	Sarah Labone *
Observer	Clr Pauline Lockie
Observer	Clr John Stamolis

Attendees marked (*) attended part of the meeting, departing after their Agenda Item.

ACKNOWLEDGMENT OF COUNTRY

The Chair acknowledged the traditional custodians of the land on which the meeting took place both physically and virtually and paid his respects to elders past and present and emerging.

The Chair, John Gordon, welcomed Committee members and attendees to the meeting.

Attendees in person and online introduced themselves to the Committee.

The Committee thanked Cassie Malone of NSW Audit Office for her audit input over the past years and will welcome Ray Bailey, Audit Manager, NSW Audit Office at the next meeting.

The Committee acknowledged Mr Gordon's service to the Committee, noting this was his last meeting as Chair, and thanked him for his contributions over the past six (6) years.

APOLOGIES

Apologies from Ray Bailey, Audit Manager, NSW Audit Office.

DISCLOSURES OF INTERESTS

The Independent and Councillor ARIC Members confirmed there were no changes to their disclosures of interests. All members advised they had no conflicts in relation to any matter before the ARIC.

CONFIRMATION OF MINUTES**DISCUSSION**

The Chair noted that the Committee had received updates in between meetings relating to Agenda items reported at the 5 April 2023 meeting, specifically:

1. Update on the Asset Revaluation Process; and
2. Details of Credit Card profile and usage.

RESOLUTION

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on Wednesday, 5 April 2023, be confirmed.

Moved: Mark Sercombe

Seconded: Clr Atkins

Carried

**RIS0523(1) Item 1 ARIC Resolutions (Action Items) and 2023 Forward Agenda
RESOLUTION**

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

Moved: Mark Sercombe

Seconded: Ilona Meyer

Carried

RIS0523(1) Item 2 General Manager Verbal Update
DISCUSSION

The General Manager provided key updates to ARIC as summarised below.

The ICAC Operation Hector public hearings have concluded. The business case for de-amalgamation remains under consideration by the Local Government Boundaries Commission. The Committee was updated on the acquisition of commercial investment properties.

The Customer Service Charter has been developed internally with external stakeholders. Council has commenced Strategy and Customer Experience days with all permanent staff to attend one of nine half-day sessions. These cover how Council's strategy, priorities and individual roles contribute to Council success and includes discussions about how Council can improve the customer experience for our community.

The General Manager noted that the meeting was the last to be attended by the Chair John Gordon, as John has retired from the ARIC after a term of six years as Chair. Peter acknowledged John has been a member of ARIC since its inception at Inner West Council and has provided a consistent source of insight through many challenges faced by Council over the years. Peter thanked the Chair for his time and effort as Chair of the ARIC.

RESOLUTION

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

Moved: Ilona Meyer
Seconded: Clr Atkins

Carried

The Committee brought forward agenda item 9 for consideration.

**RIS0523(1) Item 9 Plan for the Preparation of the Financial Statements for the
Financial Year ending 30 June 2023****DISCUSSION**

The Financial Reporting and Control Manager provided an overview of the development of the plan and improvements and recommendations implemented by Inner West Council, in consultation with the NSW Audit Office, to ensure timely completion of the Financial Statements for 2023 and following periods. The Committee discussed resourcing and cross skilling and other ongoing risk mitigation measures.

The Director Financial Audit NSW Audit Office updated the Committee that the audit is progressing on time. The Office's report on its analysis of the 2021-22 financial statement audits of the Local Government Cluster is due to be released on 5 June 2023.

RESOLUTION

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

Moved: Ilona Meyer
Seconded: Clr Atkins

Carried

The Committee returned to the order of business agenda items

**RIS0523(1) Item 3 Internal Ombudsman Shared Service update
DISCUSSION**

The Acting Internal Ombudsman presented an update on service utilisation, trends for Inner West Council and IOSS staff changes. The Committee discussed matters in relation to the PID Act and status reporting of IOSS complaints.

RESOLUTION

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

Moved: Ilona Meyer
Seconded: Clr Scott

Carried

**RIS0523(1) Item 4 Semi-annual People and Culture and WHS report
DISCUSSION**

The Senior Manager People and Culture provided an overview of the report. The Committee discussed matters relating to staff turnover, performance planning and Work, Health and Safety (WHS) benchmarks and culture. The Committee offered to provide further examples of reporting on WHS that may assist Council develop its reporting suite.

The WHS and Wellbeing Manager, provided the Committee with information on Council prevention programs, wellness initiatives and strategies for an aging workforce.

RESOLUTION

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

Moved: Clr Atkins
Seconded: Ilona Meyer

Carried

**RIS0523(1) Item 5 Q3 Report – Quarterly Report on Progress against Delivery
Program and Operational Plan 2022-23
DISCUSSION**

The Corporate Strategy and Engagement Manager provided an overview of the report. The Committee discussed the status of Operational Plan action items and Council's internal monitoring and review methodology.

RESOLUTION

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

Moved: Mark Sercombe
Seconded: Clr Atkins

Carried

RIS0523(1) Item 6 Draft Delivery Program 2022-2026 (year 2) and Operational Plan and Budget 2023-24 – Documents on Public Exhibition

DISCUSSION

The Corporate Strategy and Engagement Manager provided an overview of the report. The Committee discussed community feedback for the report on exhibition.

RESOLUTION

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

Moved: Mark Sercombe

Seconded: Clr Atkins

Carried

Meeting recess at 7.10pm.

Meeting reconvened at 7:25pm

RIS0523(1) Item 7 Major Projects Update

DISCUSSION

The Director Infrastructure and Senior Manager Capital Works gave an overview on Major Projects. The Committee discussed projects, grants and project reporting on risk management.

RESOLUTION

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

Moved: Mark Sercombe

Seconded: Ilona Meyer

Carried

RIS0523(1) Item 8 Quarterly Budget Review Statement (Q3 – to March 2023)

DISCUSSION

The Financial Partnering and Analytics Manager reported to the Committee on the 2022/23 third quarter budget review.

RESOLUTION:

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

Moved: John Gordon

Seconded: Mark Sercombe

Carried

**RIS0523(1) Item 10 Investment Report at 30 April 2023
RESOLUTION**

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

Moved: Clr Atkins
Seconded: Clr Scott

Carried

**RIS0523(1) Item 11 Investment Policy Update
DISCUSSION**

The Chief Financial Officer provided an overview of the policy, confirmed the existing investment portfolio meets the policy, and responded to queries regarding delegations and operational controls for investment decisions.

RESOLUTION

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

Moved: John Gordon
Seconded: Mark Sercombe

Carried

**RIS0523(1) Item 12 Update on Acquisition of Investment Properties
DISCUSSION**

The Manager Strategic Investments and Property provided an overview of the confidential report and responded to queries from the Committee.

RESOLUTION

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

Moved: Mark Sercombe
Seconded: Clr Scott

Carried

**RIS0523(1) Item 13 Audit, Risk and Improvement Terms of Reference Amendment
DISCUSSION**

The Senior Manager Governance and Risk and Risk and Audit Manager responded to questions regarding the proposed amendments. Committee Members considered the change regarding the out-of-session confirmation of minutes by the ARIC to be 'minor' as defined by the Terms of Reference and noted that the process should be followed for Minutes of the 17 May 2023 meeting.

RESOLUTION

That the Audit, Risk and Improvement Committee (ARIC) endorse the proposed changes to the ARIC Terms of Reference, as outlined in the report.

Moved: Mark Sercombe
Seconded: Ilona Meyer

Carried

RIS0523(1) Item 14 Semi-Annual Governance, Risk Management, Compliance and Audit report

DISCUSSION

The Senior Manager Governance and Risk provided an overview of the report including an update on Governance and Risk resourcing, the risk management framework, the procurement review and internal audit.

The Committee discussed Council's developing risk culture over the past 5 years, records management and the European Commission's identified Risks for Procurement.

RESOLUTION

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

Moved: Mark Sercombe
Seconded: Ilona Meyer

Carried

RIS0523 (1) GENERAL BUSINESS

The Director Corporate provided the Committee with an update regarding Council's information technology service suppliers.

The Chair acknowledged the development of the risk and reporting culture since the merger, gave his thanks to Council and wished the new Chair and members of the Committee all the best for the future.

Next meeting – Wednesday 16 August 2023, 5:30 pm.

Meeting closed at 8:39 pm.