

Minutes of Meeting

Meeting commenced at 4.00 pm

On Tuesday 21 November 2023 at 8 am the Audit, Risk and Improvement Committee (ARIC or Committee) met in-camera.

PRESENT

Audit Risk & Improvement Committee Members	
Independent Member – Acting Chair	Ilona Meyer
Independent Member	Mark Sercombe
Councillor member	Clr Liz Atkins
Councillor member	Clr Philippa Scott
Other attendees	
General Manager	Peter Gainsford
Director Corporate	Kelly Loveridge
Director Planning	Simone Plummer
Acting Director Community	Caroline McLeod
Director Infrastructure	Ryann Midei
Senior Manager Capital Works	Stuart Hull
Senior Manager Customer Experience and Service Transformation	Melanie Gurney
Chief Technology Officer	James Carter
Acting Chief Financial Officer	Chris Sleiman
Senior Manager People and Culture	Helen Lyons
Manager Strategic Investments and Property	Scott Mullen
Acting Senior Manager, Strategic Planning	Daniel East
Senior Manager Governance and Risk	Beau-Jane De Costa
Risk and Audit Manager	Justin Lucas
Risk and Audit Officer – Minute taker	Ngaire Meekan
Governance Manager	George Georgakis
Director, Financial Audit, NSW Audit Office	David Daniels
KPMG	Aisling Kilgannon
KPMG	Jason Scott
Internal Ombudsman	Josh Jongma
Observer	Clr John Stamolis

ACKNOWLEDGMENT OF COUNTRY

The Acting, Ilona Meyer, acknowledged the traditional custodians of the lands on which the meeting took place and paid her respects to elders past, present and emerging.

The Acting Chair, Ilona Meyer, welcomed Committee members and attendees to the meeting.

Attendees in person and online introduced themselves to the Committee.

APOLOGIES:

Apologies from Ruth Callaghan, Director Community Services and Ray Bailey, Audit Manager, NSW Audit Office

DISCLOSURES OF INTERESTS:

The Committee Members confirmed there were no changes to their disclosures of interests.

All members confirmed they had no conflicts of interest in relation to any matter before the ARIC.

CONFIRMATION OF MINUTES:

RECOMMENDATION

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on Wednesday 4 October 2023, be confirmed and the Acting Chair be authorised to sign them as a correct record of the meeting.

Moved: Mark Sercombe

Seconded: Clr Atkins

Carried.

RIS1123(1) Item 1 General Manager Verbal Update

DISCUSSION

The General Manager provided an update to the Committee as summarised below.

Inner West Council (IWC) has finalised its annual report. This has been a significant year for Council in many respects including in relation to its cultural journey, customer service improvements, governance and risk policy framework implementation and reviews and embedding risk management.

Council won the AR Bluett Memorial Award for outstanding achievement in local government in the Metro/Major Regional category.

The Committee was updated on Council's progress in relation to major capital projects including the Greenway and key operational projects including the Food Organics and Garden Organics (FOGO) waste management initiative of Council.

Internal consultation has commenced as part of the redevelopment of the Community Strategic Plan.

The Committee noted Council's commitment to resourcing and planning to ensure it meets its Governance and Risk obligations.

The Local Government Boundaries Commission is holding a public enquiry on 6 December to consider the business case for de-amalgamation of IWC. Submissions are open until 31 January 2024.

RECOMMENDATION

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

Moved: Clr Scott
Seconded: Mark Sercombe

Carried

RIS1123(1) Item 2 Internal Ombudsman Shared Service Update

DISCUSSION

The Acting Internal Ombudsman referred to the paper and it was taken as read.

The Committee discussed implementation of Public Interest Disclosures (PID) Act compliance measures and the implementation of those at Council, including actions taken to ensure that PID Officers are present in all locations where required.

RECOMMENDATION

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

Moved: Mark Sercombe
Seconded: Clr Scott

Carried

RIS1123(1) Item 3 KPMG - Internal Audit Status Update

DISCUSSION

KPMG Partner Aisling Kilgannon referred to the paper and it was taken as read.

The Committee noted that KPMG presented to the Committee at the in-camera meeting held on Tuesday 21 November to enable the Committee and KPMG to discuss the progress of the audits.

RECOMMENDATION

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

Moved: Clr Atkins
Seconded: Clr Scott

Carried

RIS1123(1) Item 4 Service Reviews Update

DISCUSSION

The Senior Manager Customer Experience & Service Transformation, Melanie Gurney referred to the paper and it was taken as read.

The Committee discussed service review priorities and the process for selecting and prioritising service reviews.

RECOMMENDATION

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

Moved: Clr Atkins

Seconded: Mark Sercombe

Carried

RIS1123(1) Item 5 Semi-Annual Customer Service Report

DISCUSSION

The Senior Manager Customer Experience & Service Transformation, Melanie Gurney referred to the paper and it was taken as read.

The Committee noted that Council had adopted the customer service strategy and policy at its meeting on 21 November 2023. The Committee discussed improvements which are underway, including changes to the enterprise system for managing customer requests and significant improvements over the period in relation to the quality of correspondence, reductions in complaints and the rise in customer compliments.

The Committee noted that the Councillor members of the ARIC are also both members of the Customer Committee of Council.

RECOMMENDATION

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

Moved: Clr Scott

Seconded: Clr Atkins

Carried

RIS1123(1) Item 6 Q1 Report - Quarterly Report on Progress against Delivery Program and Operational Plan 2023-24

DISCUSSION

The Corporate Strategy and Engagement Manager, Prue Foreman referred to the paper and it was taken as read.

RECOMMENDATION

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

Moved: Clr Atkins

Seconded: Mark Sercombe

Carried

RIS1123(1) Item 7 2023 Council Annual Report

DISCUSSION

The Corporate Strategy and Engagement Manager, Prue Foreman referred to the paper and it was taken as read.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Ilona Meyer

Carried

RIS1123(1) Item 8 People and Culture and WHS&W Report

DISCUSSION

The Senior Manager People and Culture, Helen Lyons referred to the paper and it was taken as read.

The Committee discussed the report and initiatives including strategy and customer experience consultations, Council initiatives in relation to psychosocial health claims, prevention and case management and measures to foster staff engagement, retention and hiring in relevant service areas.

RECOMMENDATION

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

Moved: Clr Atkins

Seconded: Mark Sercombe

Carried

RIS1123(1) Item 9 Major Projects Update

DISCUSSION

The Director Infrastructure and Senior Manager Capital Works, Stuart Hull referred to the paper and it was taken as read.

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

RECOMMENDATION

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

Moved: Clr Scott

Seconded: Clr Atkins

Carried

RIS1123(1) Item 10 Investment Report as at 31 October 2023**DISCUSSION**

The Acting Chief Financial Officer, Chris Sleiman referred to the paper and it was taken as read.

The Acting Chief Financial Officer provided an update on Council's investments and commitments in relation to green and fossil fuel related investments.

The Committee discussed Council's investment advisors, the process to engage and ensure integrity requirements are met in relation to such advisors and the investments.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Clr Atkins

Carried

RIS1123(1) Item 11 Quarterly Budget Review Statement (Q1 to September 2023)**DISCUSSION**

The Acting Chief Financial Officer, Chris Sleiman referred to the paper and it was taken as read.

The Committee discussed the report, the impact of different projects on the achievement of Council's budgetary and financial management objectives and reporting standards.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Ilona Meyer

Carried

RIS1123(1) Item 12 Acquisition and ongoing management of investment properties

DISCUSSION

The Strategic Investments and Property Manager, Scott Mullen referred to the paper and it was taken as read.

The Manager Strategic Investments and Property provided a report to the Committee in relation to Council's management of its current investment properties. The Committee discussed ongoing financial and operational monitoring and reporting requirements applicable to investment properties.

RECOMMENDATION

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

Moved: Mark Sercombe

Seconded: Clr Atkins

Carried

RIS1123(1) Item 13 Update on Infrastructure Contributions Actions

DISCUSSION

The Director, Corporate, as Chair of the relevant project Committee and Daniel East, Acting Senior Manager, Strategic Planning referred to the paper and it was taken as read.

The Committee discussed the project plan and completion status of key analyses and actions. The Committee noted that the Planning Institute awarded Council with an excellence award for its revised Comprehensive Contributions Plan.

RECOMMENDATION

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

Moved: Clr Atkins

Seconded: Mark Sercombe

Carried

RIS1123(1) Item 14 Semi-Annual ICT Report

DISCUSSION

The Chief Information Officer, James Carter referred to the paper and it was taken as read.

The Committee discussed ICT disaster recovery strategies, Council initiatives to manage cyber risks and technological protection measures and the scope of their implementation and

applicability across Council software systems and platforms.

RECOMMENDATION

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

Moved: Mark Sercombe
 Seconded: Clr Scott

Carried

RIS1123(1) Item 15 Semi-Annual Governance, Compliance and Fraud & Corruption Control Report

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa referred to the paper and it was taken as read.

The Committee noted the significant number and relevance of the policies which were adopted by Council at its 21 November 2023 meeting and noted the significant progress delivered in respect of Council’s governance, compliance and fraud and corruption control initiatives throughout 2023.

RECOMMENDATION

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

Moved: Ilona Meyer
 Seconded: Mark Sercombe

Carried

RIS1123(1) Item 16 Quarterly Risk Management Report

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read.

The Committee noted the significant progress achieved in respect of Council’s risk management maturity throughout 2023.

RECOMMENDATION

That Audit, Risk and Improvement Committee (ARIC)

- 1. Endorse the strategic risks attached in a confidential paper to this report**
- 2. Note ARIC’s responsibilities as summarised in this report**
- 3. Note Council will develop Risk Management Plans for each strategic risk and**
- 4. Note the report on public safety incidents.**

Moved: Mark Sercombe
 Seconded: Ilona Meyer

Carried

RIS1123(1) Item 17 Internal Audit Charter

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read.

The Committee discussed considerations relevant to the Committees responsibilities under its current legislative role and tensions with that role given the Office of Local Government’s requirements under the Model Internal Audit Charter.

RECOMMENDATION

The Audit, Risk and Improvement Committee recommended the draft Internal Audit Charter be updated and a report brought to it for consideration when the Office of Local Government issues its final Guidelines on Risk Management and Internal Audit.

Moved: Ilona Meyer
 Seconded: Clr Atkins

Carried

RIS1123(1) Item 18 ARIC and Internal Audit Reporting Requirements

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read.

The Committee noted the significant progress and momentum achieved in respect of Council’s internal audit function throughout 2023.

RECOMMENDATION

That the Audit, Risk and Improvement Committee approve the draft ARIC Annual Report 2023 (calendar year basis), subject to inclusion of final wording changes to be agreed out of session.

- a. Note the report on the Internal Audit function
- b. Note the ARIC self-assessment questionnaire, for which responses are sought by Wednesday 13 December 2023
- c. Note requirements to review the ARIC Terms of Reference (TOR) were met and that amendments per OLG requirements are pending parliamentary processes.
- d. Note the progress report on internal audit actions.
- e. Note the discussion document on Council’s Internal Audit Universe and that Council proposes to work with ARIC to table a final Internal Audit Plan for approval

to the first ARIC meeting of the 2024 calendar year.

Moved: Ilona Meyer
Seconded: Mark Sercombe

Carried

RIS1123(1) Item 19 2024 ARIC Meeting Dates and Forward Plan and 2023 completion checks

DISCUSSION

The Senior Manager Governance and Risk, Beau-Jane De Costa and Risk and Audit Manager, Justin Lucas referred to the paper and it was taken as read.

RECOMMENDATION

1. That Audit, Risk and Improvement Committee endorse the proposed 2024 meeting dates being:
 - 20 March 2024
 - 22 May 2024
 - 21 August 2024
 - 2 October 2024 (extraordinary – draft financials)*
 - 20 November 2024,
noting scheduling adjustments will be made, as necessary, to ensure a quorum, depending on member availability.
2. That Audit, Risk and Improvement Committee endorse the 2024 forward plan, as attached to the report.

Moved: Ilona Meyer
Seconded: Mark Sercombe

Carried

Item 20 General Business

Meeting closed at 6.05 pm.

CHAIRPERSON