



MINUTES OF THE ORDINARY MEETING OF THE QUEANBEYAN-PALERANG REGIONAL COUNCIL AUDIT, RISK AND IMPROVEMENT COMMITTEE held at the Council Chambers, 253 Crawford St, Queanbeyan on Wednesday, 9 September 2020 commencing at 9.00 a.m..

ATTENDANCE

Present:

Andrew Cox	(External Chairperson)
Carolyn-Rosetta Walsh	(External member)
Max Shanahan	(External member)
Cr. Peter Harrison	(Councillor)
Andrew Knight	(Portfolio General Manager Organisation Capability)

Also Present:

Peter Tegart	(CEO\General Manager)
Kate Monaghan	(CFO\Service Manager Finance)
Kylie McRae	(O'Connor Marsden and Associates)
Michael Kharzoo	(Audit Office of NSW)
Susanti Tedja	(Audit Office of NSW)
Anita Cakalic	(ARIC Secretary\Risk Specialist)

Presenters:

Jacqueline Richards	(PGM Community Choice)
Mike Thompson	(PGM Natural and Built Character)
Dan Fulton	(Service Manager Workplace and Culture)
Peter John	(Service Manager Digital)

1. APOLOGIES

Resolved

No apologies received.

2. DECLARATIONS OF INTEREST

Resolved

That the Audit, Risk and Improvement Committee (ARIC) members now disclose any interests and reasons for declaring such interest in the matters under consideration by the ARIC at this meeting.

No disclosures made.

3. CONFIRMATION OF MINUTES

3.1 Minutes of the Ordinary Meeting of Audit, Risk and Improvement Committee held on 29 May 2020 were confirmed.

Moved: Max Shanahan

Seconded: Andrew Knight

Agenda items were presented in the following order. Refer to agenda items below for resolutions.

- 8.6 Summary - HSEQ 2020 Surveillance Audit
- 4 Presentation by Mike Thompson
- 6.1 Audit Office of NSW Report – Verbal Update
- 6.2 Report on the Interim Audit for the YE 30 June 20
- 6.3 O'Connor Marsden internal Audit Report
- 6.4 Internal Audit – Terms of Reference – Information Management Governance
- 5.5 Performance Framework
- 5.6 Governance Framework – Presentation
- 4 Presentation by Jacquelyn Richards
- 5.4 DRP Solution Outline
- 8.8 Implementation of ASD's Essential Eight Controls
- 8.1 Financial Statements Sub-Committee (FSSC) Letter of Endorsement
- 8.2 CFO Status Report
- 8.3 2019-20 Financial Statements – Reporting Prior Year Errors
- 8.4 ARIC Draft Charter
- 8.5 NSW Audit Office Annual work Program
- 8.7 ARIC information circulated out-of-session
- 8.9 Audit Office NSW and ICAC Reports of Interest
- 8.10 IA and Pandemics Case Study – Kempsey Shire Council
- 5.1 Actions Arising Report
- 5.2 Internal audit Protocol
- 5.3 Policy Harmonisation
- 6.5 Status of Audit Recommendations

Note: There was no item 7.

4. SENIOR MANAGEMENT PRESENTATIONS

Jacqui Richards: Portfolio General Manager Community Choice

Mike Thompson: Portfolio General Manager Natural and Built Character

5. ARIC - ACTIONS ARISING FROM PREVIOUS MINUTES

5.1 Actions Arising Report

Resolved

That the Committee:

- a) noted the report and status of actions.
- b) agreed that the overview for a revised work plan, which is

aligned to the draft charter, to be circulated out-of-session for comment.

5.2 Internal Audit Protocol

Resolved

That the Committee:

- a) noted the report.
- b) agreed that the internal audit protocols, along with the ARIC Draft Charter and revised work plan, will be reviewed out-of-session with comments to be received by the end of the month.

5.3 Policy Harmonisation

Resolved

That the Committee:

- a) noted the report.
- b) agreed that the 'policies table' will be circulated out-of-session.
- c) agreed that an update on the status of policies will be reported to the ARIC annually at its first meeting of the calendar year (Quarter 3).

5.4 DRP Solution Outline

Resolved

That the Committee

- a) noted the report.
- b) requested that the RFT (request for tender) be circulated to members out-of-session.
- c) Recommends that a project risk assessment is undertaken.

5.5 Performance Framework

Agenda items 5.5 and 5.6 presented together

Resolved

That the Committee noted the report.

5.6 Governance Framework - Presentation

Resolved

That the Committee:

- a) noted the presentation provided by the CEO.
- b) agreed that a high-level assurance strategy be developed to determine what is required to provide assurance that the Performance Framework, Governance Framework and associated documentation are in place and operating effectively.

6. AUDIT REPORTS

6.1 Audit Office of NSW Report - Verbal Update

Resolved

That the Committee noted the verbal update provided by Michael Kharzoo from the Audit Office of NSW.

6.2 Report on the Interim Audit for the YE 30 June 20

Resolved

That the Committee noted the Management Letter on the Interim Phase of the Audit for the year ended 30 June 2020.

6.3 O'Connor Marsden Internal Audit Report

Resolved

That the Committee:

- a) noted the OCM report provided for information.
- b) agreed to align the annual audit plan to a financial year as opposed to a calendar year. As a part of this realignment, the next audit plan will cover an eighteen month period from 1 January 2021 to 30 June 2022.
- c) agreed that an annual (end of financial year) audit summary should be presented by the internal audit provider (OCM) at the first Committee meeting for the new financial year (i.e. quarter one ARIC meeting).
- d) agreed that any changes to the annual audit plan should be considered by the ARIC out-of-session for endorsement.
- e) agreed that item 8 – IT Disaster Recovery, will be reported in two phases to the ARIC.
- f) noted that there may be a joint review/audit on pandemic response across CRJO member councils.

6.4 Internal Audit - Terms of Reference - Information Management Governance

Resolved

That the Committee noted the report.

6.5 Status of Audit Recommendations

Resolved

That the Committee noted the report.

7. INTERNAL AUDIT REPORTS

No item 7 – all items reported under item 6.

8. REPORTS TO ARIC - ITEMS FOR INFORMATION

8.1 Financial Statements Sub-Committee (FSSC) Letter of Endorsement

Resolved

That the Committee

- a) noted the letter from Max Shanahan, Chair of the FSSC.
- b) endorsed the draft statements and referral to Council.

Moved: Max Shanahan

Seconded: Carolyn Rosetta-Walsh

8.2 CFO Status Report

Resolved

That the Committee noted the report.

8.3 2019-20 Financial Statements - Reporting Prior Year Errors

Resolved

That the Committee noted the report and the identification and correction of prior period errors in the audited financial statements, and the additional quality control procedures being implemented to reduce the risk of future misstatements.

8.4 Draft ARIC Charter

Resolved

That the Committee noted the report and agreed that feedback on the draft charter would be provided out-of-session by the end of September.

8.5 NSW Audit Office Annual Work Program

Resolved

That the Committee noted the report.

8.6 Summary - HSEQ 2020 Surveillance Audit

Resolved

The Committee noted the report.

8.7 ARIC information circulated out-of-session

Resolved

That the Committee noted the report.

8.8 Implementation of ASD's Essential Eight controls

Resolved

That the Committee

- a) noted the report.
- b) requested that a progress report on the adoption of the essential eight controls be provided at each Committee meeting.

8.9 Audit Office NSW and ICAC Reports of interest

Resolved

That the Committee

- a) noted the report
- b) noted that the reports by the Audit Office NSW had been circulated to staff for review
- c) recommended that any identified improvement opportunities arising from the findings in NSW Audit Office and NSW ICAC reports be assessed against QPRC practices and results reported to ARIC.

8.10 IA and Pandemics Case Study - Kempsey Shire Council

Resolved

That the Committee note the internal audit case study.

9 Other Business

Resolved

That there being no further business meeting closed at 12.27pm.

Next Meeting: 9 December 2020.

**Mr. ANDREW COX
CHAIRPERSON**