



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 Friday, 29 May 2020 commencing at 11:00am - 3:00pm.

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)
Phil Hansen	(Portfolio General Manager Community Connections)
Kate Monaghan	(Chief financial Officer and Service Manager Finance)
Andrew Marsden	(O'Connor Marsden and Associates)
Kylie McRae	(O'Connor Marsden and Associates)
Michael Kharzoo	(Audit Office of NSW)
Susanti Tedja	(Audit Office of NSW)
Nicole Robertson	(O'Connor Marsden and Associates)
Anita Cakalic	(Risk Specialist and ARIC Secretary)

1. APOLOGIES

Resolved:

The Committee resolved that apology from Bill Warne (Service Manager Legal and Risk) be noted.

2. DECLARATIONS OF INTEREST

Resolved:

No disclosures were made by Committee members of any interests in the matters under consideration at this meeting.

3. CONFIRMATION OF MINUTES

3.1 Minutes of the Ordinary Meeting of Audit, Risk and Improvement Committee held on 14 February 2020

Resolved:

The Minutes of the Meeting of the Audit, Risk and Improvement Committee held in the Queanbeyan Council Chambers on 14 February 2020 were confirmed.

Moved: P Harrison

Seconded: M Shanahan

Carolyn Rosetta-Walsh joined the meeting at 11.08am.

4. SENIOR MANAGEMENT PRESENTATIONS

This item was presented after agenda item 5 Audit Reports – refer to agenda item 6.1.

5. AUDIT REPORTS

5.1 Audit Office NSW Report - Verbal Update

Resolved:

The committee noted:

- a) The verbal update provided by Michael Kharzoo from the Audit Office of NSW.
- b) The CEO's comment with regard to the agreement by the Executive at its meeting of 28 May 2020 to undertake work on the roles and responsibility definitions as part of the action arising from the Morrison and Low asset maturity report.
- c) Mr Kharzoo from the Audit Office of NSW to follow-up and advise on proposed developer contributions audit which may also be a focus of a Productivity Commission report.

5.2 Internal Audit report – O'Connor Marsden

Resolved:

The committee:

- a) Noted the report provided by OCM and changes to the proposed Internal Audit Plan for 2020.
- b) Requested that the WHS ISO certification and report be circulated out-of-session.
- c) OCM to meet with the CEO to discuss the internal audit report on Integrated Planning and Reporting and Risk Management.
- d) Requested that Internal Audit meet with the CEO prior to the release of any final audit reports.

- e) OCM to provide some example risk reports.
- f) Noted that a target date for the development of a risk report for both the Executive and the Committee is yet to be determined, but will be included in an overall plan to address the internal audit report recommendations.
- g) Integrated Planning and Reporting and Risk Management report to:
 - a. be followed-up in late-2020 or early-2021 to assess progress
 - b. at that time to include a risk management capability maturity assessment

5.3 Status of Audit Recommendations

Resolved:

That the Committee:

- a) Noted the contents of the report.
- b) ARIC Chair and Chief Executive Officer determine a protocol for audit action implementation including escalation process and use of a request form to request extensions to be brought to next Committee meeting.

Kylie McRae left the meeting at 11.52am.

6. REPORTS TO ARIC - ITEMS FOR INFORMATION

6.1 Senior Management Presentation

Resolved:

That the Committee:

- a) Noted the verbal update provided by the Portfolio General Manager Community Connections on progress against the NSW Government "Best Practice Management of Water and Sewerage Guidelines".
- b) Requested that the IWCM (Integrated Water Cycle Management) project plan and schedule will be provided to the ARIC Secretary to be forwarded to the Committee out-of-session.

6.2 Financial Statements Sub-Committee (FSSC) report

Resolved:

That the Committee noted the contents of the FSSC report provided.

6.3 CFO Status Report

Resolved:

That the Committee noted the contents of the CFO report.

6.4 QPRC COVID-19 response

Resolved:

That the Committee noted the contents of the report on QPRC's response and recovery to COVID-19.

6.5 Insurance Claims and Fraud Items

Resolved:

That the Committee:

- a) Noted the contents of the report provided on the status of insurance and fraud related matters.
- b) Requested that the report be provided to the Committee at each meeting and be broadened to include, in addition to insurance and fraud, breaches such as:
 - a. Breaches of delegations.
 - b. Improper corporate credit card usage.
 - c. Other breach types.

6.6 Performance reporting - Integrated Planning and Reporting Framework

Resolved:

That the Committee:

- a) Noted the contents of the report provided.
- b) Noted that at the completion of the review of the performance framework and customer service metrics, that a report will be provided to the Committee.

6.7 Workplace Culture Program - ARIC Work Plan

Resolved:

That the Committee:

- a) Noted the contents of the Workplace and Culture Program report provided and the progress being made.
- b) Noted that a presentation will be provided by the CEO at the next ARIC meeting on the governance framework showing how the customer service request system, service metrics and organisational culture metrics are integrated.

7. ACTIONS ARISING FROM PREVIOUS MEETINGS

7.1 Actions Arising Report

Resolved:

That the Committee:

- a) Noted the content of the report, the remaining action items pending, and those that have been completed.
- b) Noted that breach reporting of non-compliance with delegations and authority is provided on an exception basis to the Committee.

7.2 ARIC Maturity Development Plan

Resolved:

That the Committee:

- a) Noted the contents of the report and the plan provided to improve the maturity of the Committee.
- b) Requested that:
 - a. In addition to the requirement for the ARIC Chair, or an independent member of the Committee, to have private meetings with the internal audit service provider, external auditor or other QPRC personnel without management present, to also be included in the ARIC Charter.
 - b. That the requirement for an independent assessment of the ARIC Committee performance be deferred pending the outcome of OLG discussion paper.

7.3 Comments received on ARIC Work Plan

Resolved:

That the Committee:

- a) Noted the report and comments received on the current ARIC work plan.
- a) Agreed to the additional items being included on the work plan and that the updated plan to be circulated out-of-session.

7.4 Policy Harmonisation Project

Resolved:

That the Committee:

- a) Noted the report for information.
- b) A formal document hierarchy and management approach be developed that provides clarity, consistency, business rules, ownership and risk-based review requirements around the various types of Council documents including policies, frameworks, etc. An internal audit could be considered to

analyse current state and develop an implementation roadmap.

7.5 ICT DR Project Plan

Resolved:

That the Committee:

- a) Noted the DRP report.
- b) Noted that the attachment was a schedule rather than the project plan.
- c) Requested that the project plan, testing schedule and any progress against the plan, to be presented and discussed as an agenda item at the September ARIC meeting.

7.6 QPRC Asset Management Maturity Assessment

Resolved:

That the Committee noted:

- a) The report and outcome of the asset management maturity assessment provided by Morrison and Low.
- b) That there will be a system for tracking progress against improvement actions.

7.7 Other Business:

Resolved:

The Committee agreed that meetings should be scheduled to ensure sequence of events for progress of Financial Statements:
1.FSSC 2.ARIC 3.Council

Resolved:

That the ARIC Secretary would review ARIC meeting times with the CEO's Executive Assistant to ensure that these do not occur at the same time as CRJO meetings.

Meeting closed at 2.22pm

Next meeting: 4 September – date to be reviewed pending timing of financial statements and review by FSSC.

2020 Schedule of Meetings:

14 February – held

29 May – held

4 September

4 December

**Mr. ANDREW COX
CHAIRPERSON**